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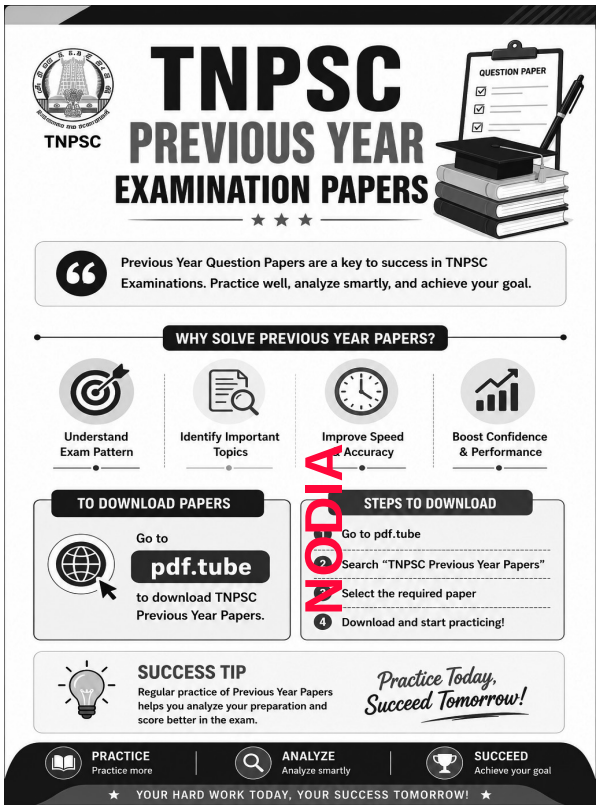

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Combined Civil Services (Preliminary) Examination – I (Group I Services)

[Single Paper consisting of General Studies (Degree Standard – 175 questions), and Aptitude and Mental Ability (SSLC Standard – 25 questions)]

Code:497

Part A: General Studies (Degree Standard – 175 Questions)

Unit I: General Science (10 Questions)

Scientific knowledge and scientific temper - Power of reasoning - Rote learning vs conceptual learning - Science as a tool to understand the past, present, and future; Nature of universe - General scientific laws – Mechanics - Properties of matter, force, motion, and energy - Everyday application of the basic principles of mechanics, electricity and magnetism, light, sound, heat, nuclear physics, laser, electronics, and communications; Elements and compounds, acids, bases, salts, petroleum products, fertilizers, pesticides; Main concepts of life science, classification of living organisms, evolution, genetics, physiology, nutrition, health and hygiene, human diseases; Environment and ecology; Latest inventions in science and technology; Current affairs.

Unit II: Geography of India (10 Questions)

Location - Physical features - Monsoon, rainfall, weather and climate - Water resources - Rivers in India - Soil, Minerals and Natural Resources - Forest and Wildlife - Agricultural pattern; Transport – Communication; Social Geography – Population density and distribution - Racial, linguistic groups and major tribes; Natural calamity - Disaster management – Environmental pollution - Reasons and preventive measures - Climate change - Green energy; Geographical landmarks; Current affairs.

Unit III: History, Culture of India, and Indian National Movement (25 Questions)

Indus Valley Civilization - Guptas, Delhi Sultans, Mughals, and Marathas - Age of Vijayanagaram and Bahmani Kingdoms - South Indian History; Change and continuity in the socio-cultural history of India; National Renaissance - Early uprising against British rule - Indian National Congress - Emergence of leaders – B.R.Ambedkar, Bhagat Singh, Bharathiar, V.O.Chidambaranar, Jawaharlal Nehru, Kamarajar, Mahatma Gandhi, Maulana Abul Kalam Azad, Thanthai Periyar, Rajaji, Subash Chandra Bose, Rabindranath Tagore, and others; Different modes of agitation: Growth of Satyagraha and Militant Movements; Communalism and Partition; Characteristics of Indian Culture, Unity in Diversity – Race, Language, Custom; India as a Secular State, Social Harmony; Prominent personalities in various spheres – Arts, Science, Literature and Philosophy; National symbols – Eminent personalities and places in news – Sports – Books and Authors; Current affairs.

Unit IV: Indian Polity (40 Questions)

Constitution of India - Preamble to the Constitution - Salient features of the Constitution - Union, State and Union Territory - Citizenship, Fundamental Rights, Fundamental Duties, Directive Principles of State Policy - Union Executive, Union Legislature - State Executive, State Legislature - Local Governments, Panchayat Raj - Spirit of federalism: Centre - State relationships - Election - Judiciary in India – Rule of Law - Corruption in public life – Anti-corruption measures - Lokpal and Lok Ayukta - Right to Information - Empowerment of Women - Consumer Protection Forums, Human Rights Charter; Political parties and political system in India; Current affairs.

Unit V: Indian Economy and Development Administration in Tamil Nadu (50 Questions)

Nature of Indian Economy – Five-year plan models - an assessment - Planning Commission and Niti Aayog; Sources of revenue - Reserve Bank of India - Fiscal Policy and Monetary Policy - Finance Commission - Resource sharing between Union and State Governments - Goods and Services Tax; Structure of Indian economy and employment generation, Land Reforms and Agriculture - Application of Science and Technology in Agriculture - Industrial growth - Rural welfare oriented programmes - Social problems - Population, Education, Health, Employment, Poverty; Human Development Indicators in Tamil Nadu and a comparative assessment across the

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Country – Impact of social reform movements in the socio-economic development of Tamil Nadu - Political parties and welfare schemes for various sections of people - Rationale behind the reservation policy, and access to the social resources - Economic trends in Tamil Nadu - Role and impact of social welfare schemes in the socio-economic development of Tamil Nadu - Social justice and social harmony as the cornerstones of socio-economic development; Education and health systems in Tamil Nadu; Geography of Tamil Nadu and its impact on economic growth; Achievements of Tamil Nadu in various fields; e-Governance in Tamil Nadu; Public awareness and General administration - Welfare oriented Government schemes and their utility, Problems in public delivery systems; Current socio-economic issues; Current affairs.

NOIDA

Unit VI: History, Culture, Heritage, and Socio-Political Movements in Tamil Nadu (40 Questions)

History of Tamil Society, related archaeological discoveries, Tamil literature from Sangam age till contemporary times; Thirukkural - Significance as a secular literature - Relevance to everyday life, Impact of Thirukkural on humanity, Thirukkural and universal values - Relevance to Socio-politico-economic affairs, Philosophical content in Thirukkural; Role of Tamil Nadu in freedom struggle - Early agitations against British Rule - Role of women in freedom struggle; Evolution of 19th and 20th century socio-political movements in Tamil Nadu - Justice Party, Growth of Rationalism - Self Respect Movement, Dravidian Movement, and principles underlying both these movements; Contributions of Thanthai Periyar and Perarignar Anna.

Part B: Aptitude and Mental Ability (SSLC Standard - 25 Questions)

Unit I: Aptitude (15 Questions)

Simplification - Percentage - Highest Common Factor (HCF) - Lowest Common Multiple (LCM) - Ratio and Proportion - Simple interest - Compound interest - Area - Volume - Time and Work.

Unit II: Reasoning (10 Questions)

Logical reasoning - Puzzles - Dice - Visual reasoning - Alpha numeric reasoning - Number series.

ஒருங்கிணைந்த குடிமைப் பணிகள் (முதல்நிலை) தேர்வு-I (தொகுதி I பணிகள்)

[பொது அறிவு (பட்டப்படிப்புத் தரம் - 175 கேள்விகள்) மற்றும் திறனறிவும் மனக்கணக்கு நுண்ணறிவும் (பத்தாம் வகுப்புத் தரம் - 25 கேள்விகள்) அடங்கிய ஒரு தாள்]

குறியீடு: 497

பகுதி அ: பொது அறிவு (பட்டப்படிப்புத் தரம்) (175 கேள்விகள்)

அலகு I: பொது அறிவியல் (10 கேள்விகள்)
அறிவியல் அறிவு மற்றும் அறிவியல் உணர்வு - பகுத்தறிதல் - பொருள் உணராமல் கற்றலும் கருத்துணர்ந்து கற்றலும் - கடந்தகாலம், நிகழ்காலம், எதிர்காலம் பற்றி புரிந்து கொள்வதற்கான ஒரு கருவி அறிவியல்; பேரண்டத்தின் இயல்பு - பொது அறிவியல் விதிகள் - இயக்கவியல் - பருப்பொருளின் பண்புகள், விசை, இயக்கம் மற்றும் ஆற்றல் - அன்றாட வாழ்வில் இயக்கவியல், மின்னியல், காந்தவியல், ஒளி, ஒலி, வெப்பம், அணுக்கரு இயற்பியல், லேசர் (LASER), மின்னணுவியல் மற்றும் தகவல் தொடர்பியல் ஆகியவற்றின் அடிப்படை கோட்பாடுகளின் பயன்பாடுகள்; தனிமங்களும் சேர்மங்களும், அமிலங்கள், காரங்கள், உப்புகள், பெட்ரோலிய பொருட்கள், உரங்கள், பூச்சிகொல்லிகள்; உயிரியலின் முக்கிய கோட்பாடுகள், உயிர் உலகின் வகைப்பாடு, பரிணாமம், மரபியல், உடலியங்கியல், உணவியல், உடல்நலம் மற்றும் சுகாதாரம், மனிதநோய்கள்; சுற்றுப்புறச்சூழல் மற்றும் சூழலியல்; அறிவியல் மற்றும் தொழில்நுட்பத்தில் அண்மைக்கால கண்டுபிடிப்புகள்; நடப்பு நிகழ்வுகள்.

அலகு II: இந்தியாவின் புவியியல் (10 கேள்விகள்)
அமைவிடம் - இயற்கை அமைவுகள் - பருவமழை, மழைப்பொழிவு, வானிலை மற்றும் காலநிலை - நீர் வளங்கள் - இந்திய ஆறுகள் - மண், கனிம வளங்கள் மற்றும் இயற்கை வளங்கள் - காடு மற்றும் வன உயிரினங்கள் - வேளாண் முறைகள்; போக்குவரத்து - தகவல் தொடர்பு; சமூகப் புவியியல் - மக்கள்தொகை அடர்த்தி மற்றும் பரவல் - இனம், மொழிக் குழுக்கள் மற்றும் முக்கியப் பழங்குடிகள்; இயற்கைப் பேரிடர் - பேரிடர் மேலாண்மை; சுற்றுச்சூழல் மாசுபடுதல் - காரணங்களும் தடுப்பு முறைகளும் - பருவநிலை மாற்றம் - பசுமை ஆற்றல்; புவியியல் அடையாளங்கள்; நடப்பு நிகழ்வுகள்.

அலகு III: இந்தியாவின் வரலாறு, பண்பாடு மற்றும் இந்திய தேசிய இயக்கம் (25 கேள்விகள்)
சிந்து சமவெளி நாகரிகம் - குப்தர்கள், தில்லி சுல்தான்கள், முகலாயர்கள் மற்றும் மராத்தியர்கள் - விஜயநகர மற்றும் பாமினி அரசுகளின் காலம் - தென் இந்திய வரலாறு; இந்திய சமூகப் பண்பாட்டு வரலாற்றில் மாற்றங்களும் தொடர்ச்சியும்; தேசிய மறுமலர்ச்சி - ஆங்கிலேயர் ஆட்சிக்கு எதிரான தொடக்க கால எழுச்சிகள் - இந்திய தேசிய காங்கிரஸ் - தலைவர்கள் உருவாதல் - பி.ஆர்.அம்பேத்கர், பகத்சிங், பாரதியார், வ.உ.சிதம்பரனார், ஜவகர்லால் நேரு, காமராசர், மகாத்மா காந்தி, மௌலானா அபுல் கலாம் ஆசாத், தந்தை பெரியார், இராஜாஜி, சுபாஷ் சந்திர போஸ், ரவீந்திரநாத் தாகூர் மற்றும் பலர்; விடுதலைப் போராட்டத்தின் பல்வேறு நிலைகள்: அகிம்சை முறையின் வளர்ச்சி மற்றும் புரட்சிகர இயக்கங்கள்; வகுப்புவாதம் மற்றும் தேசப்பிரிவினை; இந்தியப் பண்பாட்டின் இயல்புகள், வேற்றுமையில் ஒற்றுமை - இனம், மொழி, வழக்காறு; இந்தியா ஒரு மதச்சார்பற்ற நாடு, சமூக நல்லிணக்கம்; கலை, அறிவியல், இலக்கியம் மற்றும் தத்துவம் ஆகிய வெவ்வேறு துறைகளில் தனித்துவம் கொண்ட ஆளுமைகள்; தேசிய சின்னங்கள் - செய்திகளில் இடம்பெற்ற சிறந்த ஆளுமைகளும் இடங்களும் - விளையாட்டு - நூல்களும் ஆசிரியர்களும்; நடப்பு நிகழ்வுகள்.

அலகு IV: இந்திய ஆட்சியியல் (40 கேள்விகள்)
இந்திய அரசியலமைப்பு - அரசியலமைப்பின் முகவுரை - அரசியலமைப்பின் முக்கிய கூறுகள் - ஒன்றியம், மாநிலம் மற்றும் யூனியன் பிரதேசங்கள்; குடியுரிமை, அடிப்படை உரிமைகள், அடிப்படைக் கடமைகள், அரசின் நெறிமுறைக் கோட்பாடுகள்; ஒன்றிய நிர்வாகம், ஒன்றிய நாடாளுமன்றம் - மாநில நிர்வாகம், மாநில சட்டமன்றம் - உள்ளாட்சி அமைப்புகள், பஞ்சாயத்து ராஜ்; கூட்டாட்சியின் அடிப்படைத் தன்மைகள்; மத்திய - மாநில உறவுகள்; தேர்தல் - இந்திய நீதி அமைப்புகள் - சட்டத்தின் ஆட்சி; பொதுவாழ்வில் ஊழல் - ஊழல் தடுப்பு நடவடிக்கைகள்- லோக்பால் மற்றும் லோக் ஆயுக்தா - தகவல் உரிமை - பெண்களுக்கு அதிகாரமளித்தல் - நுகர்வோர் பாதுகாப்பு அமைப்புகள் - மனித உரிமைகள் சாசனம்; இந்தியாவில் அரசியல் கட்சிகளும் மற்றும் ஆட்சியல் முறைகளும்; நடப்பு நிகழ்வுகள்.

அலகு V: இந்தியப் பொருளாதாரம் மற்றும் தமிழ்நாட்டில் வளர்ச்சி நிர்வாகம் (50 கேள்விகள்)
இந்தியப் பொருளாதாரத்தின் இயல்புகள் - ஐந்தாண்டு திட்ட மாதிரிகள் - ஒரு மதிப்பீடு - திட்டக்குழு மற்றும் நிதி ஆயோக்; வருவாய் ஆதாரங்கள் - இந்திய ரிசர்வ் வங்கி - நிதி கொள்கை மற்றும் பணவியல் கொள்கை - நிதி ஆணையம் - மத்திய மாநில அரசுகளுக்கிடையேயான நிதிப் பகிர்வு -

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சரக்கு மற்றும் சேவை வரி; இந்திய பொருளாதார அமைப்பு மற்றும் வேலைவாய்ப்பு உருவாக்கம், நிலச் சீர்திருத்தங்கள் மற்றும் வேளாண்மை - வேளாண்மையில் அறிவியல் தொழில்நுட்பத்தின் பயன்பாடு - தொழில் வளர்ச்சி - ஊரக நலன்சார் திட்டங்கள் - சமூகப் பிரச்சனைகள் - மக்கள் தொகை, கல்வி, நலவாழ்வு, வேலைவாய்ப்பு, வறுமை; தமிழ்நாட்டின் மனிதவள மேம்பாட்டுக் குறியீடுகளும் அவற்றை தேசிய மற்றும் பிற மாநிலங்களுக்கான குறியீடுகளுடன் ஒப்பாய்வும் - தமிழ்நாட்டின் சமூக பொருளாதார வளர்ச்சிக்கு சமூக மறுமலர்ச்சி இயக்கங்களின் பங்களிப்பு; அரசியல் கட்சிகளும் பலதரப்பு மக்களுக்கான நலத்திட்டங்களும் - இடஒதுக்கீட்டுக் கொள்கைக்கான நியாயங்களும் சமூக வளங்களைப் பெறும் வாய்ப்புகளும் - தமிழ்நாட்டின் பொருளாதார போக்குகள் - தமிழ்நாட்டின் சமூக பொருளாதார வளர்ச்சியில் சமூகநலத் திட்டங்களின் தாக்கமும் பங்களிப்பும்; சமூக நீதியும் சமூக நல்லிணக்கமும் சமூகப் பொருளாதார மேம்பாட்டின் மூலாதாரங்கள்; தமிழ்நாட்டின் கல்வி மற்றும் நலவாழ்வு (Health) முறைமைகள்; தமிழ்நாட்டின் புவியியல் கூறுகளும் பொருளாதார வளர்ச்சியில் அவற்றின் தாக்கமும்; பல்வேறு துறைகளில் தமிழ்நாடு நிகழ்த்தியுள்ள சாதனைகள்; தமிழ்நாட்டில் மின்னாளுகை; பொது விழிப்புணர்வும் (Public Awareness) பொது நிர்வாகமும் - நலன்சார் அரசுத் திட்டங்களும் அவற்றின் பயன்பாடும், பொது விநியோக அமைப்புகளில் (Public delivery systems) நிலவும் சிக்கல்கள்; தற்போதைய சமூகப் பொருளாதார பிரச்சனைகள்; நடப்பு நிகழ்வுகள்.

அலகு VI: தமிழ்நாட்டின் வரலாறு, பண்பாடு, மரபு மற்றும் சமூக - அரசியல் இயக்கங்கள் (40 கேள்விகள்)

தமிழ் சமுதாய வரலாறு, அது தொடர்பான தொல்லியல் கண்டுபிடிப்புகள், சங்க காலம் முதல் இக்காலம் வரையிலான தமிழ் இலக்கிய வரலாறு; திருக்குறள் - மதச் சார்பற்ற தனித்தன்மையுள்ள இலக்கியம் - அன்றாட வாழ்வியலோடு தொடர்புத் தன்மை - மானுடத்தின் மீதான திருக்குறளின் தாக்கம் - திருக்குறளும் மாறாத விழுமியங்களும் - சமூக அரசியல் பொருளாதார நிகழ்வுகளில் திருக்குறளின் பொருத்தப்பாடு - திருக்குறளில் தத்துவக் கோட்பாடுகள்; விடுதலைப் போராட்டத்தில் தமிழ்நாட்டின் பங்கு - ஆங்கிலேயருக்கு எதிரான தொடக்க கால கிளர்ச்சிகள் - விடுதலைப் போராட்டத்தில் பெண்களின் பங்கு; பத்தொன்பது மற்றும் இருபதாம் நூற்றாண்டுகளில் தமிழ்நாட்டின் சமூக - அரசியல் இயக்கங்களின் பரிணாம வளர்ச்சி - நீதிக்கட்சி, பகுத்தறிவு வாதத்தின் வளர்ச்சி - சுயமரியாதை இயக்கம், திராவிட இயக்கம் மற்றும் இவ்வியக்கங்களுக்கான அடிப்படை கொள்கைகள், தந்தை பெரியார் மற்றும் பேரறிஞர் அண்ணாவின் பங்களிப்புகள்.

பகுதி ஆ: திறனறிவும் மனக்கணக்கு நுண்ணறிவும்
(பத்தாம் வகுப்புத் தரம் - 25 கேள்விகள்)

அலகு I: திறனறிவு (15 கேள்விகள்)

சுருக்குதல் - விழுக்காடு - மீப்பெரு பொதுக் காரணி (HCF) - மீச்சிறு பொது மடங்கு (LCM); விகிதம் மற்றும் விகிதாச்சாரம்; தனிவட்டி - கூட்டு வட்டி - பரப்பு - கொள்ளளவு - காலம் மற்றும் வேலை.

அலகு II: காரணவியல் (10 கேள்விகள்)

தருக்கக் காரணவியல் - புதிர்கள் - பகடை - காட்சிக் காரணவியல் - எண் எழுத்துக் காரணவியல் - எண் வரிசை.

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CHAPTER 01

Nature of Indian Economy and Economic Planning

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1. Which of the following best defines the primary scope of economics as a discipline?
(A) The study of resource allocation to satisfy unlimited human needs and wants.
(B) The analysis of infinite natural resources and methods for their total preservation.
(C) The specialized examination of financial markets and complex stock exchange protocols.
(D) The academic study of international relations and sophisticated geopolitical strategies.
(E) Answer not known

2. Which of the following is a fundamental feature of a capitalist economy?
(A) Central planning by a government authority
(B) Complete public ownership of the means of production
(C) Operation of the price mechanism and private ownership
(D) Absence of profit motive in business enterprises
(E) Answer not known

3. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Indian economy is classified as a mixed economy.
Reason (R): In India, both the public sector and the private sector coexist and participate in the economic development process.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

4. Match the following types of economies with their primary characteristics.
List I: (Type of Economy)
P. Capitalist Economy
Q. Socialist Economy
R. Mixed Economy
S. Traditional Economy
List II: (Primary Characteristics)
I. Coexistence of private and public sectors
II. Custom-driven and primarily agrarian
III. Central planning and public ownership
IV. Price mechanism and profit motive
(A) P-IV, Q-III, R-I, S-II
(B) P-III, Q-IV, R-I, S-II
(C) P-IV, Q-I, R-III, S-II
(D) P-I, Q-III, R-IV, S-II
(E) Answer not known

5. Read the following statements regarding the features of a developing economy:
I. High per capita income
II. High population growth
III. Low Human Development Index (HDI)
Which of the above statement(s) is/are the correct combination?
(A) I and II
(B) II and III
(C) I and III
(D) II only
(E) Answer not known

6. Identify the correctly matched pair regarding the colonial legacy on the Indian economy.
(A) Deindustrialisation - Rapid growth of indigenous Indian industries under British rule
(B) Infrastructure bias - Development of railways primarily to benefit rural Indian farmers
(C) Drain of Wealth - Transfer of Indian wealth to Britain without adequate economic

return
(D) Agrarian character - Shift of workforce from agriculture to modern manufacturing
(E) Answer not known

7. Which of the following represents the correct sequence of sectors in the Indian economy based on their current contribution to the Gross Domestic Product (GDP) in descending order?
(A) Primary sector, Secondary sector, Tertiary sector
(B) Tertiary sector, Secondary sector, Primary sector
(C) Secondary sector, Tertiary sector, Primary sector
(D) Tertiary sector, Primary sector, Secondary sector
(E) Answer not known

8. Which of the following was the most immediate economic impact of the partition of India in 1947?
(A) Loss of fertile agricultural resources and a massive refugee rehabilitation crisis
(B) Rapid increase in per capita income due to reduced population density
(C) Complete and permanent eradication of the entire informal labor sector
(D) Immediate transition into a highly industrialized and centralized socialist state
(E) Answer not known

9. Arrange the following demographic features of the Indian economy in logical order of their occurrence during a typical demographic transition:
I. Decline in death rate with high birth rate
II. High birth rate and high death rate
III. Young workforce leading to demographic dividend
IV. Decline in birth rate matching low death rate
Which of the following represents the correct sequence?
(A) II, I, III, IV
(B) I, II, IV, III
(C) II, III, I, IV
(D) III, I, II, IV
(E) Answer not known

10. Consider the following statements about India's natural resource endowment:
I. India possesses significant mineral resources like coal and iron ore.
II. Forest resources are evenly distributed across all Indian states.
III. India has vast agricultural land suitable for diverse cultivation.
IV. Water scarcity remains a challenge despite perennial rivers.
V. India is entirely self-sufficient in crude oil reserves.
Which of the statements given above form a correct combination?
(A) I, II, III and IV
(B) I, III, IV and V
(C) I, II, III and V
(D) I, III and IV
(E) Answer not known

11. Which of the following is the correct statement regarding India's Per Capita Income?
(A) It is derived by dividing the total national income by the total population.
(B) It is calculated by multiplying the national income by the total population.
(C) It accurately reflects the distribution of wealth among all citizens.
(D) It is consistently higher than the global average per capita income.
(E) Answer not known

12. Identify the incorrect statement regarding the sectoral composition of the Indian economy.
(A) The primary sector includes agriculture, forestry, and fishing.
(B) The secondary sector encompasses manufacturing and construction.
(C) The tertiary sector's contribution to India's GDP is less than 20 percent.
(D) There has been a structural transformation towards services over the decades.
(E) Answer not known

13. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): India's structural transformation of the economy is unique compared to most developed nations.
Reason (R): India transitioned directly from an

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agriculture-dominated economy to a services-led growth model, largely bypassing a dominant manufacturing phase.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

14. Match the following economic activities with their respective sectors.
List I: (Economic Activity)
P. Mining and Quarrying
Q. Trade and Transport
R. Construction
S. Forestry
List II: (Sector)
I. Primary Sector
II. Tertiary Sector
III. Secondary Sector
IV. Primary Sector
(A) P-I, Q-II, R-III, S-IV
(B) P-III, Q-II, R-I, S-IV
(C) P-IV, Q-III, R-II, S-I
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

15. Consider the following statements about the informal economy in India:
I. It operates outside the strict regulatory framework of the government.
II. It accounts for a negligible percentage of the total workforce in India.
III. Workers in this sector generally lack formal social security benefits.
IV. The size of the informal economy poses challenges for tax collection.
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) II, III and IV
(C) I, III and IV
(D) I and IV
(E) Answer not known

16. Identify the incorrectly matched pair regarding the formalisation drive of the Indian economy.
(A) Formal Sector - Regulated wages and statutory social security
(B) GST Implementation - A policy tool aimed at formalising indirect taxes
(C) Informal Workers - Constitute the majority of India's labour force
(D) Informal Sector - High job security and paid leaves
(E) Answer not known

17. Which of the following best defines labour-intensive production?
(A) A production process that utilizes a higher proportion of labour relative to capital.
(B) A production process that relies heavily on advanced machinery rather than human effort.
(C) A system where capital investments are solely directed towards automation.
(D) An economic model where the informal sector is entirely eliminated.
(E) Answer not known

18. The Human Development Index (HDI) published by UNDP evaluates development based on which of the following components?
(A) Per capita income, life expectancy, and environmental sustainability
(B) Industrial growth rate, literacy rate, and healthcare expenditure
(C) Life expectancy, education, and per capita income
(D) Poverty rate, standard of living, and maternal mortality
(E) Answer not known

19. Which of the following is NOT a dimension used in calculating the Multidimensional Poverty Index (MPI) by NITI Aayog?
(A) Internet accessibility
(B) Health
(C) Education
(D) Standard of living
(E) Answer not known

20. Which of the following is the most appropriate reason for the need for economic planning in post-independence India?
(A) To strictly isolate the domestic Indian economy from competitive global markets.
(B) To completely eliminate the private sector from all industrial production activities.
(C) To promote colonial economic policies systematically through bureaucratic

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structures.
(D) To overcome extreme poverty, market failures, and massive infrastructure deficits.
(E) Answer not known

21. If a government formulates a five-year plan focusing primarily on reducing wealth disparities and empowering backward classes, which objective of Indian economic planning is being directly applied?
(A) Modernisation
(B) Equity
(C) Self-reliance
(D) Deindustrialisation
(E) Answer not known

22. In the context of economic planning, which type of planning functions mainly through market incentives and relies on persuasion rather than strict state control?
(A) Imperative planning
(B) Centralised socialist planning
(C) Indicative planning
(D) Totalitarian planning
(E) Answer not known

23. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Rolling Plan was an experimental economic planning model introduced in India.
Reason (R): It was introduced by the Janata government in 1978 and involved a continuous reassessment of targets every year.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

24. Match the following concepts of economic planning with their appropriate descriptions.
List I: (Planning Concept)
P. Indicative Planning
Q. Imperative Planning
R. Democratic Planning
S. District Planning
List II: (Description)
I. Decentralised planning involving grassroots participation
II. Command economy where state directives are strictly enforced
III. Article 243ZD and the District Planning Committee
IV. Market-friendly planning with state acting as a facilitator
(A) P-IV, Q-II, R-I, S-III
(B) P-II, Q-IV, R-III, S-I
(C) P-IV, Q-I, R-II, S-III
(D) P-I, Q-III, R-IV, S-II
(E) Answer not known

25. Consider the following statements about the Economic Liberalisation of 1991:
I. It introduced the LPG reforms: Liberalisation, Privatisation, and Globalisation.
II. It resulted in a massive decrease in foreign direct investment in India.
III. It marked a paradigm shift from a highly regulated economy to a market-oriented one.
Which of the above statement(s) is/are incorrect?
(A) I and II
(B) II and III
(C) I and III
(D) II only
(E) Answer not known

26. Identify the correctly matched pair regarding India's global economic positioning.
(A) G20 - An alliance of the world's least developed economies
(B) BRICS - A grouping of major emerging market economies including India
(C) Amrit Kaal - India's vision document for the first 25 years after independence
(D) Fifth largest economy - Based purely on the size of the informal sector
(E) Answer not known

27. Which of the following sequence of events accurately reflects the structural evolution of Indian economic planning from independence to the present?
(A) Formation of NITI Aayog, Imperative Planning, Rolling Plan, Indicative Planning
(B) Imperative Planning, Rolling Plan, Indicative Planning, Formation of NITI Aayog

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(C) Indicative Planning, Imperative Planning, Formation of NITI Aayog, Rolling Plan
(D) Rolling Plan, Formation of NITI Aayog, Indicative Planning, Imperative Planning
(E) Answer not known

28. Identify the incorrect statement regarding India's trajectory as the fifth largest economy.
(A) This ranking is determined based on the nominal Gross Domestic Product (GDP).
(B) The service sector has been the most significant contributor to this growth.
(C) This milestone indicates that India has achieved the highest per capita income globally.
(D) India's positioning as an emerging market economy attracted substantial global investments.
(E) Answer not known

29. Arrange the strategic planning documents introduced by NITI Aayog in ascending order of their targeted timeframe:
I. Vision document
II. Action agenda
III. Strategy document
Which of the following represents the correct sequence?
(A) I, II, III
(B) II, III, I
(C) III, II, I
(D) II, I, III
(E) Answer not known

30. Consider the following statements regarding Sustainable Development Goals (SDGs) and Inclusive Growth in India:
I. Inclusive growth focuses exclusively on rapid industrialization without social welfare.
II. SDGs are global commitments that India has pledged to achieve.
III. Addressing inequality is a primary challenge in achieving inclusive growth.
IV. NITI Aayog is the nodal agency for tracking SDG progress in India.
V. Inclusive growth ignores the informal sector workers.
Which of the above statement(s) is/are incorrect?
(A) I, II, III and IV
(B) II, III, IV and V
(C) I, III, IV and V
(D) I and V
(E) Answer not known

31. Which of the following is the correct statement regarding the Economic Survey of India?
(A) It is presented in Parliament a day after the Union Budget.
(B) It is prepared under the guidance of the Chief Economic Adviser.
(C) It outlines the mandatory imperative targets for the private sector.
(D) It is an unreleased confidential document used only by the Reserve Bank of India.
(E) Answer not known

32. The term "Amrit Kaal", heavily emphasized in recent Indian economic visions, broadly refers to which period?
(A) The period of British colonial rule before 1947
(B) The first decade after the 1991 LPG reforms
(C) The era of the Green Revolution in the 1960s
(D) The 25-year period leading up to India's 100th year of Independence
(E) Answer not known

33. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Gini coefficient is widely used in India to measure the extent of economic inequality.
Reason (R): A Gini coefficient of zero represents perfect inequality, where one person holds all the income.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

34. Match the following reports/indices with their corresponding publishing organizations.
List I: (Report/Index)
P. Human Development Report
Q. Multidimensional Poverty Index (State level)
R. Ease of Doing Business (Historical)

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S. Global Competitiveness Index

List II: (Organization)

I. World Economic Forum (WEF)
II. World Bank
III. NITI Aayog
IV. United Nations Development Programme (UNDP)

(A) P-IV, Q-III, R-II, S-I
(B) P-III, Q-IV, R-I, S-II
(C) P-II, Q-III, R-IV, S-I
(D) P-IV, Q-II, R-III, S-I
(E) Answer not known

35. Consider the following statements about the Global Competitiveness Index:

I. It is published by the World Economic Forum.
II. It assesses drivers of productivity and long-term economic growth.
III. India's ranking is completely uninfluenced by its infrastructure development.
IV. It helps position India against other emerging market economies.

Which of the above statement(s) is/are incorrect?

(A) I, II and III
(B) I, III and IV
(C) II, III and IV
(D) III only
(E) Answer not known

36. Identify the incorrectly matched pair regarding the Ease of Doing Business reform measures in India.

(A) Single Window System - Simplification of business registration processes
(B) Insolvency and Bankruptcy Code - Faster resolution of corporate failures
(C) Digitisation of land records - Enhancing transparency in property registration
(D) Retrospective Taxation - A measure introduced to heavily promote foreign investments
(E) Answer not known

37. Which of the following definitions best describes a "Dualistic Economy" in the context of India?

(A) An economy that uses exactly two currencies for domestic trade.
(B) Modern industrial and traditional agricultural sectors coexisting.
(C) An economy strictly divided into purely capitalist and purely socialist states.
(D) An economy where national income is equally split between imports and exports.
(E) Answer not known

38. The theory of the "Drain of Wealth" from India during the colonial era was most prominently articulated by which Indian nationalist?

(A) Jawaharlal Nehru
(B) Mahatma Gandhi
(C) Dadabhai Naoroji
(D) B.R. Ambedkar
(E) Answer not known

39. An administration forms a District Planning Committee (DPC) that includes elected members from Panchayats and Municipalities to consolidate rural and urban plans. This action is a direct application of which concept?

(A) Indicative Planning
(B) Capitalist centralisation
(C) Financial monopsony
(D) Democratic Planning
(E) Answer not known

40. Which of the following is an exception to the general features of a socialist economy?

(A) Unrestricted operation of the free price mechanism
(B) Centralised economic planning
(C) Public ownership of the means of production
(D) Focus on equitable distribution of wealth
(E) Answer not known

41. Which of the following is a correct statement regarding the coexistence of sectors in the Indian mixed economy?

(A) The private sector operates entirely without any government regulation.
(B) Both public and private sectors operate side by side in industries.
(C) The public sector is prohibited from participating in heavy industries.
(D) The coexistence model was abandoned entirely after the 1991 reforms.
(E) Answer not known

42. Despite significant industrial growth, the Indian economy is still described as having an "agrarian character" primarily because:

(A) Agriculture contributes to more than 80% of

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India's GDP.
(B) A substantial portion of the rural population depends on agriculture for their livelihood.
(C) India exports only agricultural products.
(D) The secondary sector has been completely abolished.
(E) Answer not known

43. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): India possesses a significant demographic dividend.
Reason (R): India has a large proportion of its population in the working-age group compared to the dependent population.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

44. Match the following concepts of national income with their definitions.
List I: (National Income Concept)
P. Gross Domestic Product (GDP)
Q. Gross National Product (GNP)
R. Net National Product (NNP)
S. Per Capita Income
List II: (Definition)
I. GNP minus depreciation
II. Total value of goods and services produced within a country's borders
III. National income divided by total population
IV. GDP plus net factor income from abroad
(A) P-II, Q-IV, R-I, S-III
(B) P-IV, Q-II, R-I, S-III
(C) P-II, Q-I, R-IV, S-III
(D) P-I, Q-IV, R-II, S-III
(E) Answer not known

45. Consider the following statements regarding the Multidimensional Poverty Index (MPI) published by NITI Aayog:
I. It provides state-wise rankings to foster competitive federalism.
II. Bihar, Jharkhand, and Uttar Pradesh are among the states tracked in this index.
III. It complements traditional monetary poverty measures by assessing overlapping deprivations.
Which of the above statement(s) is/are correct?
(A) I and II
(B) I and III
(C) II and III
(D) I only
(E) Answer not known

46. Identify the correctly matched pair regarding India's demographic features and their challenges.
(A) Young workforce - Automatic guarantee of high per capita income without skill development
(B) High HDI - Prevalent in all rural agrarian districts equally
(C) High population growth - Increased pressure on natural resources and infrastructure
(D) Low demographic dividend - Due to massive aging population over 65 years
(E) Answer not known

47. Which of the following sequences best represents the typical structural transformation pathway of developed economies, which India uniquely bypassed to a large extent?
(A) Agriculture → Manufacturing → Services
(B) Services → Agriculture → Manufacturing
(C) Manufacturing → Services → Agriculture
(D) Agriculture → Services → Manufacturing
(E) Answer not known

48. Which of the following is the most appropriate reason for India adopting a "Services-led growth model"?
(A) The perceived total depletion of fertile agricultural land and natural water resources.
(B) A nationwide legal ban on all foreign direct investment in heavy manufacturing sectors.
(C) A strict constitutional prohibition preventing the development of any large industrial units.
(D) Advantages in language skills, the IT boom, and low capital needs for software exports.
(E) Answer not known

49. Arrange the following sectors in descending order based on their typical share of employment generation in the Indian economy historically:

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I. Primary Sector
II. Tertiary Sector
III. Secondary Sector
Which of the following represents the correct sequence?
(A) I, II, III
(B) I, III, II
(C) II, I, III
(D) III, II, I
(E) Answer not known

50. Consider the following statements about structural transformation in the Indian economy:
I. The share of agriculture in GDP has declined since independence.
II. The share of agriculture in employment has declined at the same rapid pace as its GDP share.
III. The services sector has emerged as the largest contributor to GDP.
IV. Disguised unemployment remains a major issue in the primary sector.
V. The IT sector played a vital role in expanding the tertiary sector.
Which of the above statement(s) is/are correct?
(A) I, II, III and IV
(B) I, II, IV and V
(C) II, III, IV and V
(D) I, III, IV and V
(E) Answer not known

51. Which of the following is an incorrect statement regarding the informal sector workers in India?
(A) They enjoy comprehensive and mandatory social protection identical to government employees.
(B) They form the vast majority of the Indian workforce.
(C) They generally lack formal contracts and regular salaries.
(D) Street vendors and daily wage labourers are typical examples of this category.
(E) Answer not known

52. Which specific economic reform initiative acts as a drive towards formalisation by digitising indirect tax compliance across India?
(A) The Rolling Plan
(B) Multidimensional Poverty Index
(C) District Planning Committee
(D) Goods and Services Tax (GST)
(E) Answer not known

53. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): India's policy framework often promotes labour-intensive production sectors like textiles and leather.
Reason (R): India has a vast young population, and labour-intensive industries help in mass employment generation.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

54. Match the following concepts related to development and poverty with their core indicators.
List I: (Concept)
P. Income Inequality
Q. Human Development
R. Multidimensional Poverty
S. Ease of Doing Business
List II: (Core Indicators)
I. Nutrition, sanitation, and school attendance
II. Life expectancy, education, and standard of living
III. Gini Coefficient
IV. Construction permits and enforcing contracts
(A) P-III, Q-II, R-I, S-IV
(B) P-II, Q-III, R-I, S-IV
(C) P-III, Q-I, R-II, S-IV
(D) P-I, Q-II, R-III, S-IV
(E) Answer not known

55. Consider the following statements regarding the shift from imperative to indicative planning in India:
I. It began prominently after the 1991 economic reforms.
II. NITI Aayog is currently the primary institution driving indicative planning.
III. It relies entirely on government monopoly over all industries.
IV. It encourages private sector participation to

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achieve national goals.

Which of the above statement(s) is/are correct?

(A) I, II and IV
(B) II, III and IV
(C) I, II and III
(D) I and IV
(E) Answer not known

56. Identify the correctly matched pair regarding the LPG reforms of 1991.

(A) Liberalisation - Reduction of government regulations and dismantling of the license raj
(B) Privatisation - Complete nationalisation of private commercial banks
(C) Globalisation - Increasing import tariffs to protect domestic infant industries
(D) LPG impact - Immediate reduction in India's foreign exchange reserves
(E) Answer not known

57. The inclusion of India in forums like BRICS and G20 is primarily an application of its status as a:

(A) Totalitarian command economy
(B) Major emerging market economy
(C) Least developed agricultural nation
(D) Closed dualistic economy
(E) Answer not known

58. How is "Inclusive Growth" defined in the context of the Indian economy?

(A) Economic growth that exclusively benefits the heavy manufacturing sector.
(B) Economic growth that is distributed fairly across society and creates opportunities for all.
(C) Economic growth driven solely by urban foreign direct investment.
(D) Economic growth that aims to increase the Gini coefficient to maximum.
(E) Answer not known

59. Which of the following is an exception to the primary aspirations outlined in the "India at 100: Amrit Kaal" vision?

(A) Completely dismantling democratic institutions for faster decision making
(B) Achieving a technology-driven and knowledge-based economy
(C) Facilitating robust growth and inclusive welfare
(D) Promoting self-reliance (Atmanirbhar Bharat)
(E) Answer not known

60. Article 243ZD of the Indian Constitution mandates the establishment of which body to facilitate decentralised economic planning?

(A) NITI Aayog
(B) National Development Council
(C) District Planning Committee
(D) Finance Commission
(E) Answer not known

61. Which of the following statements correctly distinguishes between democratic planning and totalitarian planning?

(A) Totalitarian planning is a feature of capitalist economies, whereas democratic planning is found only in traditional economies.
(B) Democratic planning prohibits private property, while totalitarian planning encourages it.
(C) There is no structural difference between the two in a mixed economy.
(D) Democratic planning involves public consensus and decentralisation, whereas totalitarian planning relies on strict central dictation.
(E) Answer not known

62. The "Rolling Plan" model in India was originally introduced for which period before being abandoned by the subsequent government?

(A) 1951-1956
(B) 1978-1980
(C) 1991-1992
(D) 2015-2017
(E) Answer not known

63. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).

Assertion (A): Following the 1991 LPG reforms, poverty rates in India saw a substantial reduction over the subsequent decades.

Reason (R): Post-liberalisation economic growth expanded opportunities in the services and manufacturing sectors, increasing income levels.

(A) Both A and R are true and R is the correct explanation of A.

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(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

64. Match the following sectors with their predominant nature of work or characteristic.
List I: (Sector)
P. Primary Sector
Q. Secondary Sector
R. Tertiary Sector
S. Informal Sector
List II: (Characteristic)
I. Lacks social protection and formal contracts
II. Extraction of natural resources
III. Provision of services and intangible goods
IV. Transformation of raw materials into finished goods
(A) P-II, Q-IV, R-III, S-I
(B) P-IV, Q-II, R-I, S-III
(C) P-II, Q-III, R-IV, S-I
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

65. Consider the following statements about the impact of the colonial legacy on the Indian economy:
I. It led to the destruction of indigenous handicraft industries.
II. It created a highly balanced and equitable infrastructural network across all rural areas.
III. It facilitated the drain of wealth through unrequited exports.
Which of the above statement(s) is/are incorrect?
(A) I and II
(B) I and III
(C) II and III
(D) II only
(E) Answer not known

66. Identify the incorrectly matched pair regarding the state of the Indian economy at independence.
(A) Poverty - Widespread and deeply entrenched
(B) Infrastructure - Deficient and largely aligned to colonial extraction needs
(C) Industrialisation - High levels of modern manufacturing output
(D) Literacy rate - Extremely low across the general population
(E) Answer not known

67. Which of the following provides the correct sequence of steps logically involved in computing the Human Development Index (HDI)?
(A) Measure individual indicators, calculate dimension indices, aggregate using geometric mean
(B) Aggregate using geometric mean, measure individual indicators, calculate dimension indices
(C) Calculate dimension indices, aggregate using geometric mean, measure individual indicators
(D) Measure individual indicators, aggregate using arithmetic sum, calculate dimension indices
(E) Answer not known

68. Identify the incorrect statement regarding the tertiary sector in India.
(A) It includes trade, transport, and communication.
(B) It is the largest contributor to India's Gross Domestic Product.
(C) Its rapid growth reflects the services-led growth model of the country.
(D) It employs the highest percentage of India's total workforce compared to agriculture.
(E) Answer not known

69. Arrange the following economic milestones in the chronological order of their inception in India:
I. Economic Liberalisation (LPG Reforms)
II. First Five Year Plan
III. Formation of NITI Aayog
IV. Introduction of the Rolling Plan
Which of the following represents the correct sequence?
(A) II, I, IV, III
(B) II, IV, I, III
(C) IV, II, I, III
(D) I, II, III, IV
(E) Answer not known

70. Consider the following statements regarding the objectives of economic planning in India:
I. Promoting rapid economic growth
II. Ensuring absolute equal distribution of income to all citizens regardless of work

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III. Achieving self-reliance in strategic sectors
IV. Modernising the traditional agrarian economy
V. Expanding public sector monopoly in all consumer goods

Which of the above statement(s) is/are incorrect?
(A) I, II, III and V
(B) II, III, IV and V
(C) I, II, IV and V
(D) II and V
(E) Answer not known

71. The tertiary sector of the Indian economy does NOT prominently include which of the following?
(A) Information Technology services
(B) Banking and Insurance
(C) Tourism and Hospitality
(D) Textile manufacturing
(E) Answer not known

72. Which of the following is a direct consequence of a dualistic economy in a developing nation like India?
(A) Coexistence of high-productivity modern sectors alongside low-productivity traditional sectors
(B) Complete elimination of rural-urban migration
(C) Uniform wage rates across all sectors
(D) Rapid attainment of a zero Gini coefficient
(E) Answer not known

73. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The primary sector in India suffers from significant disguised unemployment.
Reason (R): More people are engaged in agricultural activities than are actually required for optimal production.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

74. Match the following terms associated with the Indian economy with their appropriate contexts.
List I: (Economic Term)
P. Demographic Dividend
Q. Deindustrialisation
R. Gini Coefficient
S. Formalisation
List II: (Context)
I. Colonial economic impact
II. Shift from informal to regulated sectors
III. Economic growth potential due to young population
IV. Measurement of income inequality
(A) P-III, Q-I, R-IV, S-II
(B) P-I, Q-III, R-II, S-IV
(C) P-III, Q-II, R-IV, S-I
(D) P-IV, Q-I, R-III, S-II
(E) Answer not known

75. Consider the following characteristics:
I. Low per capita income
II. High rate of capital formation
III. High population growth
IV. Low HDI ranking

Which of the above statement(s) is/are correct for a typical developing economy?
(A) I, II and III
(B) I, III and IV
(C) I, II and IV
(D) I and II
(E) Answer not known

76. Identify the correctly matched pair regarding the branches of economics.
(A) Microeconomics - Study of the entire national economy's performance
(B) Macroeconomics - Study of individual consumer behavior and firm-level pricing
(C) Public Economics - Study of government revenue, expenditure, and taxation
(D) International Economics - Study limited strictly to internal domestic trade
(E) Answer not known

77. Which of the following definitions best describes the "Secondary Sector"?
(A) The sector that directly exploits natural resources.
(B) The sector providing intangible services like banking and education.
(C) The sector comprising exclusively of

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informal street vendors.
(D) The sector that transforms raw materials into finished or semi-finished goods through manufacturing and construction.
(E) Answer not known

78. According to the NITI Aayog's Multidimensional Poverty Index, which of the following is an indicator under the 'Health' dimension?
(A) Years of schooling
(B) Cooking fuel
(C) Nutrition
(D) Bank account ownership
(E) Answer not known

79. Which of the following statements is correct regarding the informal sector workforce in India?
(A) They account for less than 10% of the total workforce.
(B) They constitute over 80% of India's total workforce.
(C) They are primarily concentrated in highly skilled IT jobs.
(D) They are immune to the impacts of economic downturns due to high job security.
(E) Answer not known

80. Which of the following represents the most appropriate challenge associated with India's rapid shift to a services-led growth model?
(A) It created a massive surplus in agricultural production.
(B) It led to complete environmental degradation of coastal zones.
(C) It resulted in a sudden collapse of the banking system.
(D) It generated highly skilled jobs but failed to absorb the large mass of low-skilled agricultural labourers.
(E) Answer not known

81. The Global Competitiveness Index published by the WEF does NOT typically assess which of the following pillars?
(A) Absolute monarchial stability
(B) Infrastructure
(C) Macroeconomic stability
(D) Innovation capability
(E) Answer not known

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82. Which of the following statements is true regarding the interpretation of the Gini coefficient?
(A) A higher Gini coefficient implies lower income inequality.
(B) A Gini coefficient of 1 signifies perfect income equality.
(C) A lower Gini coefficient implies a more equal distribution of income.
(D) It is an index used exclusively to measure industrial output.
(E) Answer not known

83. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): India has seen an improvement in its Ease of Doing Business ranking in recent years.
Reason (R): The government has implemented various reform measures such as the Insolvency and Bankruptcy Code and simplified tax regimes like GST.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

84. Match the following economic indicators with their primary analytical purpose.
List I: (Economic Indicator)
P. HDI
Q. MPI
R. GDP
S. Gini Coefficient
List II: (Analytical Purpose)
I. Aggregate size of the domestic economy
II. Inequality in income distribution
III. Overall socioeconomic well-being (health, education, income)
IV. Intensity and incidence of overlapping deprivations
(A) P-III, Q-IV, R-I, S-II
(B) P-IV, Q-III, R-I, S-II
(C) P-I, Q-II, R-III, S-IV
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

85. Consider the following statements about state-level economic planning and NITI Aayog:
I. NITI Aayog fosters cooperative federalism by involving states in policy-making.
II. It dictates binding mandatory financial allocations to all state governments.
III. It promotes competitive federalism through various indices and rankings.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) III only
(E) Answer not known

86. Identify the incorrectly matched pair regarding economic models.
(A) Capitalist Economy - Profit motive is the primary driver
(B) Socialist Economy - Central planning determines resource allocation
(C) Mixed Economy - Complete absence of private property rights
(D) Indian Economy - A mixed economy framework since independence
(E) Answer not known

87. Select the correct formula sequence for deriving Net National Product (NNP) at market prices from Gross Domestic Product (GDP) at market prices.
(A) GDP + Net Factor Income from Abroad - Depreciation
(B) GDP - Net Factor Income from Abroad + Depreciation
(C) GDP + Depreciation - Net Factor Income from Abroad
(D) GDP - Depreciation - Net Factor Income from Abroad
(E) Answer not known

88. Identify the incorrect statement regarding the Chief Economic Adviser (CEA) and the Economic Survey of India.
(A) The CEA operates independently and has the power to veto the Union Budget.
(B) The Economic Survey reviews the economic developments in India over the past financial year.
(C) It highlights the policy initiatives of the government and economic prospects.
(D) It serves as a crucial document for understanding India's macroeconomic trends.
(E) Answer not known

89. Arrange the typical structural transformation phases of an economy from agrarian to advanced in the standard developmental model:
I. Dominance of the Tertiary Sector
II. Dominance of the Primary Sector
III. Dominance of the Secondary Sector
Which of the following represents the correct sequence?
(A) I, II, III
(B) II, III, I
(C) III, II, I
(D) II, I, III
(E) Answer not known

90. Consider the following statements explaining the need for planning in India post-independence:
I. Massive infrastructure deficit required large-scale state investment.
II. Private capital was abundant and ready for heavy industrial investments.
III. Extreme poverty and socio-economic inequality needed targeted state intervention.
IV. Market mechanisms alone could not ensure equitable regional development.
V. It was essential to optimally utilize limited natural and financial resources.
Which of the above statement(s) is/are correct?
(A) I, II, III and IV
(B) I, III, IV and V
(C) II, III, IV and V
(D) I, II, IV and V
(E) Answer not known

91. How frequently is the Human Development Report usually published by the United Nations Development Programme (UNDP)?
(A) Bi-annually (twice a year)
(B) Annually
(C) Once every five years
(D) Once every decade
(E) Answer not known

92. In economic theory, a situation where the free market fails to allocate resources efficiently,

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thus justifying government planning and intervention, is known as:
(A) Market capitalization
(B) Price equilibrium
(C) Market failure
(D) Financial inclusion
(E) Answer not known

93. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Decentralised planning empowers local bodies like Panchayats and Municipalities to formulate development plans.
Reason (R): Grassroots involvement ensures that local needs and geographical realities are effectively integrated into the planning process.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

94. Match the following economic paradigms with their practical Indian context.
List I: (Economic Paradigm)
P. Liberalisation
Q. Privatisation
R. Globalisation
S. Centralised Planning
List II: (Indian Context)
I. Integration of the domestic economy with the world economy
II. Abolition of industrial licensing (License Raj)
III. Disinvestment in public sector enterprises
IV. The era of the Planning Commission before NITI Aayog
(A) P-II, Q-III, R-I, S-IV
(B) P-III, Q-II, R-I, S-IV
(C) P-I, Q-II, R-III, S-IV
(D) P-II, Q-I, R-III, S-IV
(E) Answer not known

95. Consider the following statements about the informal sector in India:
I. It includes self-employed persons and wage workers in unregulated enterprises.
II. Workers enjoy statutory social security and paid maternity leave.
III. It acts as a shock absorber during economic transitions by providing livelihood.
IV. High reliance on cash transactions is a prominent feature.
Which of the above statement(s) is/are incorrect?
(A) I, II and III
(B) II, III and IV
(C) I, III and IV
(D) II and IV
(E) Answer not known

96. Identify the correctly matched pair regarding the Sustainable Development Goals (SDGs).
(A) SDG timeline - Targets to be achieved strictly by the year 2050
(B) SDGs focus - Exclusively targeting climate change with no economic goals
(C) State rankings - Based purely on the geographical size of the state
(D) NITI Aayog - Nodal agency for coordinating SDG implementation in India
(E) Answer not known

97. Which of the following defines "Structural Transformation" in an economy?
(A) The long-term shift in the relative share of sectors (primary, secondary, tertiary) in output and employment.
(B) The rapid transition of government administration from federal to unitary.
(C) The process of replacing all direct taxes with a single indirect tax.
(D) The cyclical fluctuation in national income due to seasonal agricultural output.
(E) Answer not known

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98. Which of the following groups includes India and represents major emerging market economies, significantly impacting global economic policies?
(A) ASEAN
(B) NATO
(C) BRICS
(D) OPEC
(E) Answer not known

99. The primary sector of the Indian economy excludes which of the following activities?
(A) Real estate and professional services
(B) Animal husbandry

(C) Forestry and logging
(D) Fishing and aquaculture
(E) Answer not known

100. Which of the following statements correctly highlights the contemporary coexistence aspect of India as a mixed economy?
(A) Public sector focuses solely on luxury goods while the private sector manages defense.
(B) The private sector is strictly forbidden from entering banking and insurance.
(C) Foreign direct investment is permitted only in fully state-owned enterprises.
(D) Strategic sectors like nuclear energy remain public, while telecommunications and aviation see heavy private and public competition.
(E) Answer not known

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ANSWERS

1. (A) The study of resource allocation to satisfy unlimited human needs and wants.
Economics is fundamentally the study of scarcity and choice. It focuses on how individuals and societies allocate limited resources to satisfy unlimited human needs and desires. This involves analyzing production, distribution, and consumption of goods and services. The primary goal is to optimize utility and welfare through efficient decision-making processes regarding available resources for society.

2. (C) Operation of the price mechanism and private ownership
A capitalist economy is characterized by private ownership of the means of production and the operation of market forces. In this system, the price mechanism, driven by demand and supply, determines resource allocation. Profit motive serves as the primary incentive for economic activity, while the government typically maintains a limited role in direct market regulation or control.

3. (A) Both A and R are true and R is the correct explanation of A.
India adopted a mixed economic system after independence to combine the benefits of both capitalism and socialism. This model allows the public sector to manage strategic areas while the private sector contributes to growth and competition. The coexistence of these two sectors facilitates balanced development, ensuring social welfare alongside economic efficiency through collaborative participation in the nation-building process.

4. (A) P-IV, Q-III, R-I, S-II
Different economic systems possess unique defining features that shape their functioning. Capitalist economies rely on price mechanisms and profit motives, whereas socialist systems emphasize central planning and public ownership. Mixed economies feature the simultaneous existence of private and public sectors. Traditional economies remain custom-driven and primarily agrarian, focusing on historical practices rather than modern industrial market-based mechanisms or structures.

5. (B) II and III
Developing economies typically exhibit specific demographic and social indicators. High population growth rates often place significant pressure on existing resources and infrastructure. Furthermore, these nations generally report lower Human Development Index scores, reflecting challenges in health, education, and standard of living. Unlike developed nations, they usually possess low per capita income levels and high levels of wealth inequality.

6. (C) Drain of Wealth - Transfer of Indian wealth to Britain without adequate economic return
During the colonial period, the drain of wealth referred to the systematic transfer of India's resources and capital to Britain. This occurred through various means, including home charges and trade surpluses that did not benefit the domestic economy. This process impoverished India while fueling the industrial revolution in Britain, leaving a legacy of economic stagnation and massive resource depletion.

7. (B) Tertiary sector, Secondary sector, Primary sector
The structural composition of the Indian economy has shifted significantly since independence. Currently, the tertiary or services sector provides the largest contribution to the national Gross Domestic Product. The secondary or industrial sector follows as the second-largest contributor. Despite employing a large portion of the workforce, the primary or agricultural sector now accounts for the smallest share of output.

8. (A) Loss of fertile agricultural resources and a massive refugee rehabilitation crisis
The 1947 partition of India caused severe economic disruption, primarily through the loss of fertile agricultural land to Pakistan. This included major jute and wheat-growing regions, creating raw material shortages for industries. Additionally, the massive displacement of

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people led to an unprecedented refugee crisis, requiring significant government expenditure for rehabilitation and basic survival needs during a period of transition.

9. (A) II, I, III, IV
Demographic transition follows a specific pattern of birth and death rate changes. Initially, both rates are high, resulting in slow growth. Improved healthcare causes death rates to drop while birth rates remain high, leading to a population explosion. This eventually creates a young workforce or demographic dividend. Finally, birth rates decline to match low death rates, stabilizing the population growth.

10. (D) I, III and IV
India possesses a diverse natural resource base, including significant deposits of coal and iron ore. The country also benefits from extensive agricultural land suitable for various crops. However, water scarcity remains a major developmental challenge despite numerous perennial rivers. While India has some oil, it is far from self-sufficient and relies heavily on imports to meet energy demands.

11. (A) It is derived by dividing the total national income by the total population.
Per capita income serves as a measure of the average income earned per person in a given area in a specified year. It is calculated by dividing the total national income of the country by its entire population. While it provides a general indicator of economic well-being, it does not account for income inequality or household wealth distribution patterns.

12. (C) The tertiary sector's contribution to India's GDP is less than 20 percent.
The tertiary sector has become the dominant force in the Indian economy, contributing more than half of the total Gross Domestic Product. Asserting that its contribution is less than twenty percent is factually incorrect. This sector includes various services such as banking, information technology, and transport, which have grown much faster than agriculture and manufacturing sectors over recent decades.

13. (A) Both A and R are true and R is the correct explanation of A.
Most developed nations followed a traditional path from agriculture to manufacturing and then to services. India, however, experienced a unique transition by moving directly from an agrarian dominance to a services-led growth model. This bypass of a dominant manufacturing phase is often attributed to the rapid expansion of the information technology sector and various structural constraints in industrial growth.

14. (A) P-I, Q-II, R-III, S-IV
Economic activities are classified into primary, secondary, and tertiary sectors based on their nature. Mining and forestry are primary activities because they involve the direct extraction and use of natural resources. Construction is a secondary activity as it involves manufacturing and building. Trade and transport are tertiary activities because they provide essential services rather than producing tangible physical goods.

15. (C) I, III and IV
The informal economy comprises workers and enterprises operating outside government regulation and taxation frameworks. Participants typically lack access to formal social security benefits like pensions or health insurance. This sector represents a massive portion of the Indian workforce, rather than a negligible one. Its unorganized nature presents significant challenges for tax administration and implementation of labor welfare.

16. (D) Informal Sector - High job security and paid leaves
The informal sector is defined by its lack of regulation and job security. Workers in this sector typically face precarious employment conditions, with no guarantee of regular wages or benefits such as paid leaves and medical insurance. This contrasts sharply with the formal sector, where employment is protected by legal contracts and statutory social security measures established by the government.

17. (A) A production process that utilizes a higher proportion of labour relative to capital.
Labour-intensive production refers to methods where the amount of human effort or manpower required is high compared to the amount of

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capital investment in machinery. This approach is common in developing countries with large populations, as it helps generate widespread employment. Industries like textiles, agriculture, and handicrafts often utilize these methods to produce goods effectively and sustainably.

18. (C) Life expectancy, education, and per capita income.
The Human Development Index is a composite statistic used to rank countries by level of human development. It focuses on three main dimensions: a long and healthy life measured by life expectancy, access to knowledge measured by education, and a decent standard of living measured by per capita income. This provides a broader perspective than purely economic growth measures.

19. (A) Internet accessibility.
The Multidimensional Poverty Index evaluates poverty beyond just monetary income. It focuses on three core dimensions: health, education, and standard of living. These are measured through various indicators such as nutrition, school attendance, and access to basic amenities like water and electricity. While internet accessibility is important for modern development, it is not a standard dimension used in this index.

20. (D) To overcome extreme poverty, market failures, and massive infrastructure deficits.
After independence, India faced severe economic challenges including widespread poverty, low literacy, and lack of industrial infrastructure. The state-led planning model was adopted because market mechanisms alone were insufficient to address these deep-seated issues. Planning allowed the government to allocate scarce resources systematically toward priority sectors, ensuring social justice, equitable regional development, and the creation of basic heavy industries.

21. (B) Equity
Equity in economic planning refers to the reduction of inequality in income and wealth distribution. When a government focuses on empowering backward classes and narrowing the gap between the rich and the poor, it is pursuing the goal of equity. This objective ensures that the benefits of economic growth reach all sections of society, promoting social justice and inclusive development.

22. (C) Indicative planning
Indicative planning is a form of economic planning where the state sets broad targets and goals but relies on market incentives and persuasion rather than direct commands. In this system, the government acts as a facilitator for the private sector. It was adopted in India after the 1991 reforms to integrate market efficiency with national developmental objectives and social welfare.

23. (A) Both A and R are true and R is the correct explanation of A.
The Rolling Plan was introduced by the Janata government in 1978 to replace the traditional five-year planning system. This model involved three types of plans: a plan for the current year, a plan for a fixed number of years, and a perspective plan. It allowed for annual reassessment and adjustment of targets based on changing economic conditions and performance.

24. (A) P-IV, Q-II, R-I, S-III
Economic planning takes various forms depending on the level of state control and participation. Indicative planning uses the market as a facilitator, while imperative planning involves strict state directives in a command economy. Democratic planning emphasizes decentralization and grassroots participation. District planning specifically utilizes the District Planning Committee, as mandated by the Constitution, to coordinate local development and urban-rural integration.

25. (D) II only
The 1991 economic reforms in India, known as LPG, aimed to modernize the economy through liberalization, privatization, and globalization. These reforms actually led to a significant increase in foreign direct investment by opening up various sectors to global capital. Therefore, the statement suggesting a massive decrease in foreign direct investment is incorrect, as the reforms were specifically designed to attract it.

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26. (B) BRICS - A grouping of major emerging market economies including India
BRICS is an influential international group consisting of Brazil, Russia, India, China, and South Africa. It represents major emerging economies that seek to cooperate on global economic issues and provide an alternative to traditional Western-led institutions. India's membership highlights its growing status as a significant global economic player with substantial influence on international trade and development policies.

27. (B) Imperative Planning, Rolling Plan, Indicative Planning, Formation of NITI Aayog
Indian planning evolved from a highly centralized imperative model in the early decades to an experimental Rolling Plan in the late 1970s. Following the 1991 reforms, the country shifted toward indicative planning, which gave more space to market forces. Finally, the Planning Commission was replaced by NITI Aayog in 2015, marking a transition to a more cooperative, federalist approach.

28. (C) This milestone indicates that India has achieved the highest per capita income globally.
While India has become the world's fifth-largest economy in terms of nominal Gross Domestic Product, this does not mean it has the highest per capita income. Due to its massive population, India's per capita income remains relatively low compared to developed nations. The ranking reflects the aggregate size of the economy, driven largely by the services sector and emerging market growth.

29. (B) II, III, I
NITI Aayog replaced the traditional five-year plans with a new framework consisting of three documents with different time horizons. The Action Agenda covers a short-term period of three years. The Strategy Document outlines objectives for a medium-term period of seven years. The Vision Document provides the long-term perspective and goals for the country over a fifteen-year period.

30. (D) I and V
Inclusive growth specifically aims to provide social welfare and opportunities for all sections of society, including those in the informal sector. It is not limited to rapid industrialization. Sustainable Development Goals are global commitments tracked by NITI Aayog to ensure balanced and equitable progress. Statements suggesting that inclusive growth ignores informal workers or excludes social welfare are fundamentally incorrect.

31. (B) It is prepared under the guidance of the Chief Economic Adviser.
The Economic Survey of India is a flagship document presented annually by the Ministry of Finance. It is prepared by the Economic Division of the Department of Economic Affairs under the direct supervision of the Chief Economic Adviser. The document provides a comprehensive review of the economy's performance over the past year and is usually presented before the Union Budget.

32. (D) The 25-year period leading up to India's 100th year of Independence
"Amrit Kaal" is a term used by the Indian government to describe the twenty-five-year period from the 75th to the 100th anniversary of India's independence. This era is envisioned as a time of rapid development, technology-driven growth, and inclusive welfare. The goal is to transform India into a developed nation by 2047 through self-reliance and significant socio-economic reforms.

33. (C) A is true but R is false.
The Gini coefficient is a standard statistical measure used to represent the income or wealth distribution of a nation's residents. While it is used in India to measure inequality, the interpretation of its value is specific. A Gini coefficient of zero represents perfect equality, where everyone has the same income, whereas a value of one represents perfect inequality or concentration.

34. (A) P-IV, Q-III, R-II, S-I
Major economic and social reports are published by specialized organizations to track global and national progress. The Human Development Report is a product of the United Nations Development Programme. NITI Aayog prepares the state-level Multidimensional Poverty Index for India. The World Bank historically published the Ease of Doing Business index, while the World Economic Forum releases the Global Competitiveness Index.

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35. (D) III only
The Global Competitiveness Index, published by the World Economic Forum, evaluates factors that drive productivity and economic growth. Infrastructure is one of the key pillars assessed in this index. Therefore, the claim that India's ranking is completely uninfluenced by its infrastructure development is incorrect. Better infrastructure significantly improves a nation's competitiveness by reducing costs and increasing efficiency in the market.

36. (D) Retrospective Taxation - A measure introduced to heavily promote foreign investments
Retrospective taxation allows a government to impose a tax on transactions that occurred in the past. This measure is generally viewed negatively by investors as it creates uncertainty and instability in the business environment. Rather than promoting foreign investment, it has historically discouraged it. India has recently worked to eliminate such practices to improve its business climate and attract global capital.

37. (B) Modern industrial and traditional agricultural sectors coexisting.
A dualistic economy is a common feature in developing nations where two distinct economic sectors exist simultaneously. One sector is modern, urban, and industrial, utilizing advanced technology and high productivity. The other sector is traditional, rural, and primarily agricultural, relying on older methods and having lower productivity. This disparity leads to significant differences in income levels and standards of living.

38. (C) Dadabhai Naoroji
Dadabhai Naoroji, known as the "Grand Old Man of India," was the first to systematically articulate the "Drain of Wealth" theory. In his work, he argued that Britain was draining India's resources through salaries, pensions, and trade policies without any corresponding economic return. This analysis played a crucial role in the Indian nationalist movement by highlighting the economic exploitation of colonialism.

39. (D) Democratic Planning
Democratic planning involves the participation of people and local institutions in the planning process. The establishment of District Planning Committees, which include representatives from Panchayats and Municipalities, is a prime example of this approach. It ensures that development plans are not just dictated from the center but are formulated based on local needs and ground-level realities through a decentralized system.

40. (A) Unrestricted operation of the free price mechanism
Socialist economies are characterized by public ownership of resources and centralized economic planning focused on social welfare. In such systems, the government typically controls prices and resource allocation to ensure equity. The unrestricted operation of the free price mechanism is a hallmark of capitalist or market economies, where demand and supply determine prices without significant state intervention or central control.

41. (B) Both public and private sectors operate side by side in industries.
A mixed economy like India's is defined by the coexistence of public and private sectors. Both sectors contribute to industrial production and service delivery, sometimes competing and sometimes collaborating. While certain strategic areas might be reserved for the government, most industries are open to private enterprise under a regulatory framework that seeks to balance profit-making with social welfare and interest.

42. (B) A substantial portion of the rural population depends on agriculture for their livelihood.
Although agriculture's share in India's Gross Domestic Product has declined over time, the sector remains vital because it employs nearly half of the total workforce. Most of the rural population still relies on farming and allied activities for their income and sustenance. This high level of employment dependence, despite lower economic output, gives the Indian economy its persistent agrarian character.

43. (A) Both A and R are true and R is the correct explanation of A.
India is currently experiencing a demographic dividend because a large part of its population is in the working-age bracket. This situation creates potential for rapid economic growth if this workforce is properly educated and skilled. Having more workers than dependents reduces

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the burden on the economy and increases the total productive capacity and savings potential of the nation.

44. (A) P-II, Q-IV, R-I, S-III
National income accounting uses several related metrics to measure economic performance. Gross Domestic Product measures output within national borders. Gross National Product adds net factor income from abroad to GDP. Net National Product is derived by subtracting depreciation from GNP. Per capita income is the average income per person, calculated by dividing the total national income by the entire population.

45. (B) I and III
NITI Aayog's Multidimensional Poverty Index assesses poverty through various deprivations in health, education, and living standards. It complements monetary measures by showing how people experience poverty differently. The index publishes state-wise rankings to encourage competitive federalism, motivating states to improve their performance. While it tracks many states, including Bihar and Uttar Pradesh, the core focus remains on methodology.

46. (C) High population growth - Increased pressure on natural resources and infrastructure
High population growth in a developing country like India poses significant challenges by increasing demand for food, water, housing, and energy. It places immense pressure on existing public infrastructure such as schools, hospitals, and transport systems. Without matching economic growth and resource management, this rapid increase can lead to environmental degradation and lower standards of living for many citizens.

47. (A) Agriculture → Manufacturing → Services
The standard developmental model observed in most advanced nations involves a transition from an agriculture-based economy to an industrial one, and finally to a services-dominated economy. This pathway allows for the absorption of low-skilled agricultural labor into manufacturing before they move into high-skilled services. India uniquely bypassed the dominant manufacturing stage, moving rapidly from agriculture directly to a services-led growth model.

48. (D) Advantages in language skills, the IT boom, and low capital needs for software exports.
India's rapid growth in the services sector was driven by its large pool of English-speaking graduates and the global information technology revolution. Unlike heavy manufacturing, service industries like software development and business process outsourcing require relatively less capital investment in physical infrastructure. These factors allowed India to leverage its human capital to become a global hub for offshore services.

49. (A) I, II, III
Historically, the primary sector, specifically agriculture, has been the largest employer in India. As the economy evolved, the tertiary or services sector became the second-largest provider of jobs, growing rapidly in urban areas. The secondary or industrial sector, despite its importance, has generally employed the fewest people among the three. This trend highlights the challenge of creating enough manufacturing jobs.

50. (D) I, III, IV and V
Since independence, India's economic structure has changed significantly, with agriculture's share in GDP declining while services have become the largest contributor. The IT sector has been a major driver of this expansion. However, the decline in agricultural employment has been much slower than its GDP share, leading to disguised unemployment. Statement II is incorrect because agricultural employment remains high.

51. (A) They enjoy comprehensive and mandatory social protection identical to government employees.
Workers in the informal sector typically lack the legal protections and benefits that formal sector employees and government workers receive. They do not have access to mandatory social security, pensions, or guaranteed health benefits. This sector includes millions of laborers and street vendors whose employment is often unregulated and precarious, making them more vulnerable to economic shocks compared to formal employment.

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52. (D) Goods and Services Tax (GST)
The implementation of the Goods and Services Tax is a major policy tool aimed at formalizing the Indian economy. By requiring digital documentation of transactions to claim input tax credits, GST encourages businesses to register and operate within the legal tax framework. This process creates a transparent audit trail, reduces the scope for tax evasion, and brings more enterprises into the formal economic system.

53. (A) Both A and R are true and R is the correct explanation of A.
Promoting labour-intensive industries like textiles and leather is a strategic choice for India due to its large and growing workforce. These sectors can absorb a high number of workers per unit of capital invested, helping to reduce unemployment. By focusing on these areas, the government aims to leverage the demographic dividend and ensure that economic growth translates into widespread job creation.

54. (A) P-III, Q-II, R-I, S-IV
Various economic concepts are measured using specific indicators to assess development. Income inequality is typically represented by the Gini Coefficient. Human development is measured using indicators like life expectancy and education. Multidimensional poverty focuses on deprivations in nutrition and sanitation. Ease of Doing Business involves practical regulatory factors such as the time taken to obtain construction permits and enforcement.

55. (A) I, II and IV
After the 1991 reforms, India moved away from a command-style imperative planning model toward indicative planning. This approach involves setting broad goals while encouraging private sector participation through market incentives. NITI Aayog is the modern institution that facilitates this process by acting as a think tank. Statement III is incorrect because indicative planning actively discourages government monopolies and promotes competition.

56. (A) Liberalisation - Reduction of government regulations and dismantling of the license raj
Liberalization in the context of the 1991 reforms involved reducing government control over economic activities. This included abolishing the "License Raj," which required businesses to obtain numerous government approvals. By simplifying regulations and opening up markets, the government aimed to increase efficiency and competitiveness. This shift was fundamental to moving India toward a market-oriented economy and attracting private investment.

57. (B) Major emerging market economy
India is recognized globally as a major emerging market economy with high growth potential and a large domestic market. Its inclusion in international forums like BRICS and the G20 reflects its significant role in the global economic landscape. These platforms allow India to collaborate with other leading and developing nations on issues such as trade, climate change, and international financial stability.

58. (B) Economic growth that is distributed fairly across society and creates opportunities for all.
Inclusive growth refers to an economic development model that ensures the benefits of growth are shared by all sections of society, particularly the marginalized. It focuses on reducing inequality and providing equal access to education, healthcare, and employment opportunities. The goal is to create sustainable progress where every citizen can participate in and benefit from the nation's rising wealth.

59. (A) Completely dismantling democratic institutions for faster decision making
The "Amrit Kaal" vision emphasizes technology-driven growth, inclusive welfare, and self-reliance within the framework of a vibrant democracy. It does not advocate for the dismantling of democratic institutions. On the contrary, the vision seeks to strengthen governance and promote a knowledge-based economy while ensuring that development is participatory and reaches every citizen, upholding core democratic values.

60. (C) District Planning Committee
Article 243ZD mandates the creation of District Planning Committees in every state to consolidate the plans prepared by Panchayats and Municipalities. This constitutional provision is designed to facilitate decentralized planning by ensuring that local development needs are addressed. The DPC acts as a bridge between

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grassroots level planning and the state-level planning process, promoting more effective and inclusive regional development.

61. (D) Democratic planning involves public consensus and decentralisation, whereas totalitarian planning relies on strict central dictation.
Democratic planning is characterized by participation, where the state acts with the consensus of the people and respects private property within a mixed economy. It emphasizes decentralization through local bodies. In contrast, totalitarian planning involves a central authority making all economic decisions with little regard for individual choice or market forces, often in a command economy where private enterprise is restricted.

62. (B) 1978-1980
The Rolling Plan was introduced by the Janata Party government in 1978, cutting short the Fifth Five-Year Plan. It was intended to provide a more flexible planning framework that could be adjusted annually. However, when the government changed in 1980, the new administration abandoned this model and returned to the traditional five-year planning system, launching the Sixth Five-Year Plan.

63. (A) Both A and R are true and R is the correct explanation of A.
The economic liberalization of 1991 led to faster GDP growth, which played a significant role in reducing poverty in India. By opening up the economy, these reforms created millions of jobs in the services and manufacturing sectors, increasing income levels for many families. While challenges remain, the overall expansion of economic opportunity helped lift a substantial portion of the population.

64. (A) P-II, Q-IV, R-III, S-I
Each economic sector has a distinct focus and nature of work. The primary sector involves the direct extraction of natural resources. The secondary sector focuses on manufacturing and transforming raw materials into goods. The tertiary sector provides intangible services to consumers and businesses. The informal sector is defined by its lack of regulation, formal contracts, and social protection for workers.

65. (D) II only
The colonial legacy in India was characterized by the destruction of traditional industries and the drain of wealth. While the British did build infrastructure like railways, it was primarily designed to facilitate the extraction of resources and movement of British goods rather than to create a balanced network for rural development. Therefore, stating that they created an equitable infrastructural network is incorrect.

66. (C) Industrialisation - High levels of modern manufacturing output
At the time of independence in 1947, India's industrial base was extremely small and underdeveloped. The economy was largely agrarian, and most manufacturing was limited to a few sectors like textiles and sugar. Poverty was widespread, literacy was very low, and infrastructure was deficient. The claim that India had high levels of modern manufacturing output is incorrect, as industrialization became a priority later.

67. (A) Measure individual indicators, calculate dimension indices, aggregate using geometric mean
Computing the Human Development Index involves a systematic process. First, data for individual indicators like life expectancy and schooling are collected. These are then converted into dimension indices using minimum and maximum values. Finally, the three dimension indices are aggregated using the geometric mean to produce the final composite score. This method ensures that low performance in one dimension is not hidden.

68. (D) It employs the highest percentage of India's total workforce compared to agriculture.
While the tertiary sector is the largest contributor to India's Gross Domestic Product and has grown rapidly, it does not employ the majority of the workforce. Agriculture still remains the largest employer in the country, despite its smaller share of economic output. This discrepancy between GDP contribution and employment share is a significant structural characteristic of the Indian economy, linked to services-led growth.

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69. (B) II, IV, I, III
India's economic journey began with the First Five Year Plan in 1951. Later, the Rolling Plan was introduced during the late 1970s. The major paradigm shift occurred with the Economic Liberalisation in 1991. Most recently, NITI Aayog was formed in 2015 to replace the Planning Commission. This sequence reflects the evolution from centralized state control to a more market-friendly planning framework.

70. (D) II and V
Indian economic planning focuses on growth, self-reliance, and modernization with equity. However, it does not aim for an absolute equal distribution of income regardless of work, nor does it seek to establish a public sector monopoly over all consumer goods. Such measures are not part of a mixed economy framework. Instead, the goal is to provide fair opportunities for all.

71. (D) Textile manufacturing
The tertiary sector consists of services such as banking, information technology, tourism, and hospitality. These activities involve the provision of intangible value rather than the production of physical goods. Textile manufacturing, on the other hand, is a part of the secondary sector because it involves the processing of raw materials like cotton or synthetic fibers into finished garments through industrial production processes.

72. (A) Coexistence of high-productivity modern sectors alongside low-productivity traditional sectors.
A dualistic economy is marked by the presence of two very different sectors within the same nation. One is a modern sector with advanced technology, high wages, and high productivity, usually found in urban areas. The other is a traditional sector, often rural and agricultural, using old techniques and having low productivity. This structural gap leads to significant socio-economic disparities and developmental challenges.

73. (A) Both A and R are true and R is the correct explanation of A.
Disguised unemployment occurs when more people are working in a sector than are necessary. In India's agriculture, many family members work on the same small plot of land because they lack alternative employment. Their marginal productivity is zero, meaning that if some workers were removed, total production would not decrease. This situation highlights the need for industrial and service sector growth.

74. (A) P-III, Q-I, R-IV, S-II
Economic terms are best understood in their specific historical and analytical contexts. Demographic dividend refers to the growth potential from a young population. Deindustrialisation is associated with the negative impact of colonial economic policies on local crafts. The Gini Coefficient is the standard tool for measuring income inequality. Formalisation describes the ongoing shift of economic activities from unregulated to legally registered sectors.

75. (B) I, III and IV
Developing economies are generally characterized by low per capita income levels and high population growth rates. They also tend to have lower rankings on the Human Development Index due to gaps in education and healthcare. While they aim for high capital formation, they often struggle with low initial savings rates. Therefore, the most accurate combination of features for these nations includes low income.

76. (C) Public Economics - Study of government revenue, expenditure, and taxation.
Economics is divided into several specialized branches. Public economics specifically focuses on the role of the government in the economy, including how it collects revenue through taxes and allocates it through public expenditure. Microeconomics deals with individual agents like consumers and firms, while macroeconomics looks at the entire economy's performance. International economics studies trade and financial flows between different nations.

77. (D) The sector that transforms raw materials into finished or semi-finished goods through manufacturing and construction.
The secondary sector is primarily concerned with industrial production. It takes raw materials provided by the primary sector, such as minerals or agricultural products, and processes them into tangible goods. This includes activities like automobile assembly, textile production, and large-scale construction projects. This sector is

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crucial for economic development as it typically adds significant value to natural resources and provides diverse employment.

78. (C) Nutrition
NITI Aayog's Multidimensional Poverty Index uses several indicators to measure health-related deprivation. Nutrition is a key indicator within the health dimension, assessing whether members of a household are malnourished. Other health indicators often include child and adolescent mortality. Indicators like years of schooling belong to the education dimension, while cooking fuel and bank account ownership fall under standard of living.

79. (B) They constitute over 80% of India's total workforce.
The informal sector is the backbone of employment in India, providing livelihoods for more than eighty percent of the total workforce. This includes self-employed individuals, daily wage laborers, and workers in small, unregistered enterprises. Because it lacks formal regulation, this vast group of workers often faces challenges like low wages and no social security, making them highly vulnerable during economic crises.

80. (D) It generated highly skilled jobs but failed to absorb the large mass of low-skilled agricultural labourers.
India's services-led growth model has been successful in creating high-paying jobs in sectors like information technology and finance. However, these roles require advanced skills and education. The main challenge is that this growth has not provided enough employment for the millions of low-skilled workers leaving the agricultural sector. This has resulted in a mismatch between labor supply and job creation.

81. (A) Absolute monarchial stability.
The Global Competitiveness Index evaluates countries based on factors that determine productivity. These include infrastructure, macroeconomic stability, health, and innovation capability. While political stability is generally important, the specific type of government, such as absolute monarchy, is not a standard pillar used for assessment. The index focuses on economic and institutional drivers that allow businesses to flourish and compete effectively.

82. (C) A lower Gini coefficient implies a more equal distribution of income.
The Gini coefficient is a mathematical measure of inequality that ranges from zero to one. A value of zero represents perfect equality, where everyone has the same income. Therefore, as the Gini coefficient decreases, it indicates that income is being distributed more equally among the population. Conversely, a higher value signifies greater concentration of wealth and higher levels of inequality.

83. (A) Both A and R are true and R is the correct explanation of A.
India has significantly improved its business environment through targeted policy reforms. Measures such as the Insolvency and Bankruptcy Code have made it easier to resolve corporate failures, while the implementation of the Goods and Services Tax has simplified the indirect tax structure. These efforts to reduce bureaucracy and streamline regulations led to a notable rise in India's international rankings.

84. (A) P-III, Q-IV, R-I, S-II
Different economic indicators serve distinct analytical purposes. GDP measures the total size of an economy. The Gini Coefficient is used to analyze inequality in income distribution. The Human Development Index provides a broad view of socioeconomic well-being by combining health, education, and income data. The Multidimensional Poverty Index specifically measures the intensity and incidence of various overlapping deprivations beyond income.

85. (C) I and III
NITI Aayog is designed to promote cooperative federalism by involving state governments in the national policy-making process through the Governing Council. It also encourages competitive federalism by publishing various indices that rank states on their performance in areas like health and education. Unlike the old Planning Commission, it does not have the power to dictate mandatory financial allocations to states.

86. (C) Mixed Economy - Complete absence of private property rights.
A mixed economy is defined by the coexistence of both public and private ownership. While the

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state plays a significant role in regulation and providing public services, private property rights are recognized and protected. In contrast, a pure socialist or command economy might involve the complete absence of private property. India has maintained a mixed economy framework since independence.

87. (A) GDP + Net Factor Income from Abroad - Depreciation.
To calculate Net National Product from Gross Domestic Product, two main adjustments are required. First, Net Factor Income from Abroad is added to GDP to account for income earned by citizens outside the country versus foreign residents within it, resulting in Gross National Product. Second, depreciation is subtracted from this total to account for the wear and tear of capital assets.

88. (A) The CEA operates independently and has the power to veto the Union Budget.
The Chief Economic Adviser is the head of the Economic Division in the Ministry of Finance and provides expert advice to the government. While the CEA guides the preparation of the Economic Survey, they do not have the power to veto the Union Budget. The CEA's role is primarily advisory, focusing on analyzing macroeconomic trends and recommending policy directions to improve performance.

89. (B) II, III, I
The standard model of economic development begins with the dominance of the primary sector, where most people are engaged in agriculture. As a nation develops, it moves into a phase where the secondary or industrial sector becomes dominant through manufacturing growth. Finally, advanced economies are characterized by the dominance of the tertiary or services sector, which provides the largest share of output.

90. (B) I, III, IV and V
Post-independence planning was essential because India faced extreme poverty and a lack of basic infrastructure. Market mechanisms were insufficient for ensuring fair regional development or optimal use of limited resources. Statement II is incorrect because private capital was actually very scarce at that time. Therefore, the state had to take the lead in making heavy investments in key industries.

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91. (B) Annually
The Human Development Report is an annual publication by the United Nations Development Programme. Since its inception in 1990, it has provided yearly updates on the Human Development Index rankings and explored various themes related to global development, such as climate change and poverty. This regular reporting allows the international community to track progress and identify areas needing urgent investment.

92. (C) Market failure
Market failure occurs when the free market is unable to distribute resources efficiently on its own. This can happen due to monopolies, externalities, or the lack of public goods like education and clean air. In such cases, government intervention through planning and regulation is justified to correct these inefficiencies and ensure that social welfare is maximized for the whole society.

93. (A) Both A and R are true and R is the correct explanation of A.
Decentralised planning is based on the principle of subsidiarity, where decisions are made as close to the people as possible. By involving local bodies like Panchayats, the planning process becomes more responsive to the specific geographical and social needs of each community. This grassroots participation ensures that developmental projects are relevant and effective, leading to more sustainable and equitable outcomes.

94. (A) P-II, Q-III, R-I, S-IV
Each economic paradigm in India is associated with a specific policy shift. Liberalisation is best known for ending the License Raj. Privatisation is linked to the disinvestment of government shares in public enterprises. Globalisation describes the process of integrating India's market with the world economy. Centralised planning was the hallmark of the Planning Commission era, which directed national development previously.

95. (D) II and IV
The informal sector is defined by its lack of formal regulation. Workers in this sector do not enjoy

statutory social security or maternity benefits, making statement II incorrect. While the sector does rely heavily on cash, the move toward digital payments is changing this dynamic. However, the most fundamentally incorrect points are the claims of social security benefits and its defining status.

96. (D) NITI Aayog - Nodal agency for coordinating SDG implementation in India
NITI Aayog serves as the primary government body responsible for overseeing the implementation and monitoring of Sustainable Development Goals in India. It coordinates with various ministries and state governments to ensure that the country is on track to achieve these global targets by 2030. Through the SDG India Index, NITI Aayog tracks progress at the state and union territory levels.

97. (A) The long-term shift in the relative share of sectors (primary, secondary, tertiary) in output and employment.
Structural transformation is a fundamental process of economic development where the importance of different sectors changes over time. Typically, this involves a decline in the dominance of agriculture and a rise in the manufacturing and services sectors. This shift affects both the total economic output and the way the workforce is distributed. It reflects the modernization of a nation.

98. (C) BRICS
BRICS is a prominent group of five major emerging national economies: Brazil, Russia, India, China, and South Africa. These countries represent a significant portion of the world's population and economic output. The group provides a platform for India to collaborate with other large developing nations on global governance, trade, and financial reforms. Its collective influence is a major factor.

99. (A) Real estate and professional services
The primary sector involves the direct exploitation and extraction of natural resources. This includes activities such as farming, animal husbandry, forestry, fishing, and mining. Real estate and professional services like legal or financial advice are classified as part of the tertiary or services sector. They do not involve the direct use of natural resources but rather provide intangible value and expertise.

100. (D) Strategic sectors like nuclear energy remain public, while telecommunications and aviation see heavy private and public competition.
Contemporary India demonstrates its mixed economy through a balanced approach to sector participation. While the government retains control over sensitive and strategic areas like nuclear energy and railways for national security and public welfare, most other sectors are open to the private sector. In fields like aviation and telecommunications, both state-owned and private companies compete in the same market environment.

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CHAPTER 02

Five Year Plans, Planning Commission and NITI Aayog

1. Economic planning in India derived its initial inspiration primarily from the central planning model adopted by which of the following countries?
(A) United States of America
(B) United Kingdom
(C) France
(D) Soviet Union
(E) Answer not known

2. Based on the following assertion and reason, select the correct option.
Assertion (A): The Planning Commission of India was established in March 1950 by an executive resolution of the Government of India.
Reason (R): Jawaharlal Nehru was the first Chairman of the Planning Commission.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

3. Match the Five Year Plans in List I with their respective economic models or primary focus areas in List II:
List I: (Five Year Plan)
P. First Five Year Plan
Q. Second Five Year Plan
R. Third Five Year Plan
S. Fifth Five Year Plan
List II: (Model/Focus Area)
I. Poverty Alleviation (Garibi Hatao)
II. Harrod-Domar Model
III. Mahalanobis Model
IV. Self-reliance and Agriculture-Industry balance
(A) P-II, Q-III, R-IV, S-I
(B) P-III, Q-II, R-I, S-IV
(C) P-II, Q-IV, R-III, S-I
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

4. In which year was the National Development Council (NDC) established to secure the cooperation of the states in the execution of the Five Year Plans?
(A) 1950
(B) 1951
(C) 1952
(D) 1956
(E) Answer not known

5. Consider the following statements regarding the First Five Year Plan (1951 to 1956):
I. It was based on the Harrod-Domar model with a few modifications.
II. The highest priority was accorded to rapid industrialisation and heavy industries.
III. It focused heavily on agriculture, irrigation, and power projects.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) II only
(D) III only
(E) Answer not known

6. Consider the following statements regarding the composition of the erstwhile Planning Commission:
I. The Prime Minister served as the ex-officio Chairman.
II. The Deputy Chairman was appointed by the Union Cabinet.
III. The Finance Minister was an ex-officio member.
IV. The Chief Ministers of all states were full-time members.
V. It functioned as a non-statutory, advisory

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body.

Which of the above statement(s) is/are correct?

(A) I, II, III and V only
(B) I, III, IV and V only
(C) II, III and V only
(D) I, II and IV only
(E) Answer not known

7. Which of the following pairs of Five Year Plans and their major achievements is correctly matched?

(A) Third Plan - Initiation of the Green Revolution
(B) First Plan - Establishment of Bhilai Steel Plant
(C) Second Plan - Launch of Operation Flood
(D) Fourth Plan - Introduction of the Minimum Needs Programme
(E) Answer not known

8. Identify the correct chronological order of the following transitional phases in Indian economic planning.

(A) Plan Holiday, Rolling Plan, Annual Plans
(B) Rolling Plan, Plan Holiday, Annual Plans
(C) Annual Plans, Plan Holiday, Rolling Plan
(D) Plan Holiday, Annual Plans, Rolling Plan
(E) Answer not known

9. Which of the following statements correctly describes the core strategy of the Second Five Year Plan?

(A) It prioritized rural development and small-scale industries over urban industries.
(B) It adopted the Mahalanobis two-sector model focusing heavily on basic and heavy industries.
(C) It marked a transition towards indicative planning and liberalisation.
(D) It focused exclusively on achieving self-sufficiency in food grain production.
(E) Answer not known

10. What was the primary reason for declaring a Plan Holiday from 1966 to 1969?

(A) The transition of political power at the central government level.
(B) The successful completion of targets ahead of schedule in the Third Plan.
(C) The severe economic crisis caused by wars and consecutive droughts.
(D) The recommendation of the National Development Council to switch to annual plans permanently.
(E) Answer not known

11. The concept of the Rolling Plan was introduced in India by which of the following governments?

(A) Indian National Congress under Indira Gandhi
(B) National Front under V.P. Singh
(C) United Progressive Alliance under Manmohan Singh
(D) Janata Party under Morarji Desai
(E) Answer not known

12. Based on the following assertion and reason, select the correct option.

Assertion (A): The Third Five Year Plan (1961 to 1966) failed to achieve its targeted growth rate.

Reason (R): The Indian economy faced severe disruptions due to the Sino-Indian War of 1962, the Indo-Pak War of 1965, and an unprecedented drought.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

13. Match the following poverty alleviation and employment schemes in List I with the Five Year Plans during which they were prominent in List II:

List I: (Scheme)

P. Integrated Rural Development Programme (IRDP)
Q. Minimum Needs Programme (MNP)
R. Jawahar Rozgar Yojana (JRY)
S. Prime Minister's Rozgar Yojana (PMRY)

List II: (Five Year Plan)

I. Fifth Five Year Plan
II. Sixth Five Year Plan
III. Seventh Five Year Plan
IV. Eighth Five Year Plan

(A) P-II, Q-I, R-III, S-IV
(B) P-I, Q-II, R-IV, S-III
(C) P-III, Q-I, R-II, S-IV
(D) P-II, Q-III, R-I, S-IV

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(E) Answer not known

14. Which Five Year Plan focused extensively on the objectives of food, work, and productivity, leading to significant success in Operation Flood?
(A) Sixth Five Year Plan
(B) Seventh Five Year Plan
(C) Eighth Five Year Plan
(D) Ninth Five Year Plan
(E) Answer not known

15. Consider the following statements regarding the Eighth Five Year Plan (1992 to 1997):
I. It was the first plan to be formulated after the introduction of the New Economic Policy of 1991.
II. It focused heavily on human development as the ultimate goal of planning.
III. It completely eliminated the role of the public sector in the economy.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I only
(D) III only
(E) Answer not known

16. Consider the following statements regarding the composition of NITI Aayog:
I. The Prime Minister of India is the Chairperson.
II. The Vice-Chairperson is appointed by the President of India.
III. The Chief Executive Officer (CEO) is appointed by the Prime Minister.
IV. All Chief Ministers of States and Lt. Governors of Union Territories are members of the Governing Council.
V. It includes a specific number of part-time members from leading universities and research organizations.
Which of the above statement(s) is/are correct?
(A) I, III, IV and V only
(B) I, II, III and IV only
(C) I, IV and V only
(D) II, III and V only
(E) Answer not known

17. Which of the following pairs of planning phases and their corresponding years is incorrectly matched?
(A) Plan Holiday - 1966 to 1969
(B) Rolling Plan - 1978 to 1980
(C) Annual Plans - 1990 to 1992
(D) Plan Holiday - 1997 to 1999
(E) Answer not known

18. Identify the correct sequence of policy frameworks formulated by NITI Aayog arranged from the shortest to the longest duration.
(A) Action Agenda, Strategy, Vision
(B) Vision, Strategy, Action Agenda
(C) Strategy, Action Agenda, Vision
(D) Action Agenda, Vision, Strategy
(E) Answer not known

19. Which of the following statements correctly reflects the primary objective of the Ninth Five Year Plan (1997 to 2002)?
(A) Rapid industrialisation based on heavy industries
(B) Growth with social justice and equity
(C) Eradication of poverty through the Garibi Hatao campaign
(D) Transition to a completely market-driven economy
(E) Answer not known

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20. What is the most appropriate reason for the Government of India replacing the Planning Commission with NITI Aayog?
(A) To increase the centralisation of economic planning and resource allocation.
(B) To legally mandate state governments to follow central plans without deviation.
(C) To transfer all financial allocation powers directly to the Prime Minister's Office.
(D) To adopt a bottom-up approach and foster cooperative federalism.
(E) Answer not known

21. The Gadgil formula for the devolution of central plan assistance to states was initially adopted during the formulation of which Five Year Plan?
(A) Third Five Year Plan
(B) Fourth Five Year Plan
(C) Fifth Five Year Plan
(D) Sixth Five Year Plan
(E) Answer not known

22. Based on the following assertion and reason, select the correct option.
Assertion (A): The Twelfth Five Year Plan was the last Five Year Plan of India.
Reason (R): The Planning Commission was dissolved and replaced by NITI Aayog before the completion of the Twelfth Plan period.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

23. Match the Five Year Plans in List I with their respective themes or targets in List II:
List I: (Five Year Plan)
P. Ninth Five Year Plan
Q. Tenth Five Year Plan
R. Eleventh Five Year Plan
S. Twelfth Five Year Plan
List II: (Theme/Target)
I. Faster and more inclusive growth
II. Faster, more inclusive, and sustainable growth
III. Target of 8 percent GDP growth and monitorable targets
IV. Growth with social justice and equity
(A) P-IV, Q-III, R-I, S-II
(B) P-III, Q-IV, R-II, S-I
(C) P-I, Q-II, R-IV, S-III
(D) P-IV, Q-I, R-III, S-II
(E) Answer not known

24. On which of the following dates was the formal resolution to establish NITI Aayog passed by the Union Cabinet?
(A) 15 August 2014
(B) 1 January 2015
(C) 26 January 2015
(D) 1 April 2015
(E) Answer not known

25. Consider the following statements regarding the Eleventh Five Year Plan (2007 to 2012):
I. Its central theme was faster and more inclusive growth.
II. It placed a significant emphasis on the social sector, particularly education and health.
III. It achieved a sustained double-digit growth rate throughout its tenure.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I only
(D) III only
(E) Answer not known

26. Consider the following statements regarding the functions of the National Development Council (NDC):
I. It prescribes guidelines for the formulation of the National Plan.
II. It considers the National Plan as formulated by the Planning Commission.
III. It assesses the resources required for implementing the Plan.
IV. It has the constitutional authority to pass legislation on state subjects.
V. It reviews the working of the Plan from time to time.
Which of the above statement(s) is/are correct?
(A) I, II, III and V only
(B) I, II, IV and V only
(C) I, II and III only
(D) III, IV and V only
(E) Answer not known

27. Which of the following pairs concerning NITI Aayog's monitoring mechanisms is correctly matched?
(A) SDG India Index – Evaluates state-wise performance on social, economic, and environmental targets for 2030.
(B) Three Year Action Agenda – Outlines specific policy reforms and sectoral targets to be achieved by 2020.
(C) Strategy for New India @ 75 – Provides a comprehensive middle-term roadmap for achieving development goals.
(D) Aspirational Districts Programme – Improves performance in the 112 most under-developed districts through data monitoring.
(E) Answer not known

28. Identify the correct sequence of priority sectors based on the allocation of funds during the First Five Year Plan.
(A) Agriculture and Irrigation, Transport and Communications, Social Services, Industry
(B) Industry, Agriculture and Irrigation,

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Transport and Communications, Social Services
(C) Transport and Communications, Industry, Agriculture and Irrigation, Social Services
(D) Social Services, Agriculture and Irrigation, Industry, Transport and Communications
(E) Answer not known

29. Which of the following statements correctly identifies a key component of the Modified Gadgil formula used for the allocation of central assistance?
(A) It provides uniform financial assistance to all states regardless of their demographic or geographical size.
(B) It considers population, per capita income, and relative performance in mobilizing internal tax resources.
(C) It assigns the highest relative weightage to the total geographical area and forest cover of each state.
(D) It allocates funds primarily based on the human development index and literacy rates of the state's population.
(E) Answer not known

30. Which of the following statements is the most appropriate definition of 'Cooperative Competitive Federalism' as envisioned by NITI Aayog?
(A) States compete for central grants while prioritizing regional interests over unified national goals.
(B) States partner for national growth while competing to improve development indices and governance.
(C) The Centre mandates state cooperation while forcing states to compete for fixed administrative resources.
(D) The Centre delegates planning functions and encourages states to compete for global foreign investment.
(E) Answer not known

31. The Aspirational Districts Programme, aiming to quickly and effectively transform the most under-developed districts in India, was launched by which entity?
(A) NITI Aayog
(B) Ministry of Rural Development
(C) National Development Council
(D) Inter-State Council
(E) Answer not known

32. Based on the following assertion and reason, select the correct option.
Assertion (A): NITI Aayog acts solely as an advisory think tank and lacks the financial powers to allocate funds to states.
Reason (R): The power to allocate funds to states for plan expenditure was transferred to the Finance Ministry after the dissolution of the Planning Commission.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

33. Match the following key figures in List I with their contributions to economic planning in List II:
List I: (Figure)
P. M. Visvesvaraya
Q. P.C. Mahalanobis
R. D.R. Gadgil
S. Shriman Narayan
List II: (Contribution)
I. Gandhian Plan
II. Formula for allocation of central assistance
III. Two-sector model for heavy industrialisation
IV. Planned Economy for India (1934)
(A) P-IV, Q-III, R-II, S-I
(B) P-III, Q-IV, R-I, S-II
(C) P-IV, Q-II, R-III, S-I
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

34. How many districts were originally identified by NITI Aayog under the Aspirational Districts Programme?
(A) 100
(B) 112
(C) 125
(D) 150
(E) Answer not known

35. Consider the following statements regarding the Tamil Nadu State Planning Commission:
I. It was established in 1971 under the

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chairmanship of the Chief Minister.
II. It was renamed as the State Development Policy Council (SDPC) in 2020.
III. It has statutory powers to enforce budget allocations across all state departments.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I only
(D) III only
(E) Answer not known

36. Consider the following statements regarding the criticisms of the Five Year Plan model in India:
I. It suffered from a top-down approach that largely ignored local realities.
II. It led to high centralisation of economic power.
III. It perfectly balanced regional development across all Indian states.
IV. It faced implementation inefficiencies and frequent bureaucratic delays.
V. It was often criticized for setting overly ambitious targets without adequate resource mobilisation.

Which of the above statement(s) is/are correct?
(A) I, II, IV and V only
(B) I, III, IV and V only
(C) II, III and V only
(D) I, II and IV only
(E) Answer not known

37. Which of the following pairs of Five Year Plans and their major focus areas is incorrectly matched?
(A) First Plan - Agriculture and Irrigation
(B) Second Plan - Heavy Industries
(C) Fourth Plan - Growth with Stability
(D) Fifth Plan - Transition to Market Economy
(E) Answer not known

38. Identify the correct chronological order of the following Prime Ministers who served as the ex-officio Chairman of the Planning Commission/ NITI Aayog.
(A) Jawaharlal Nehru, Indira Gandhi, Morarji Desai, Manmohan Singh
(B) Jawaharlal Nehru, Morarji Desai, Indira Gandhi, Manmohan Singh
(C) Indira Gandhi, Jawaharlal Nehru, Morarji Desai, Manmohan Singh
(D) Jawaharlal Nehru, Indira Gandhi, Manmohan Singh, Morarji Desai
(E) Answer not known

39. Which of the following statements correctly describes the SDG India Index released by NITI Aayog?
(A) It tracks progress across states on 16 out of 17 major Sustainable Development Goals.
(B) It measures the financial creditworthiness and debt sustainability of all state-level governments.
(C) It provides global rankings of India's development status against other G20 and BRICS nations.
(D) It assesses the environmental compliance and green transition progress of the heavy industries sector.
(E) Answer not known

40. Which of the following was a defining feature of the Tenth Five Year Plan (2002 to 2007)?
(A) The policy focus was on the comprehensive abolition of public sector undertakings and monopolies.
(B) The primary objective was the initial launch and country-wide expansion of the Green Revolution.
(C) The growth strategy relied heavily on the savings-driven Harrod-Domar investment and growth model.
(D) The plan introduced monitorable targets for development indicators alongside the general growth target.
(E) Answer not known

41. In which year was the Tamil Nadu State Planning Commission constituted to assist the state government in policy formulation and plan monitoring?
(A) 1956
(B) 1967
(C) 1971
(D) 1991
(E) Answer not known

42. Based on the following assertion and reason, select the correct option.
Assertion (A): The Fifth Five Year Plan successfully completed its full five-year term from 1974 to 1979.

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Reason (R): The Janata Party government came to power and terminated the Fifth Plan a year early to introduce the Rolling Plan.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

43. Match the following wings/hubs of NITI Aayog in List I with their respective functions in List II:
List I: (Wing/Hub)
P. Research Wing
Q. Consultancy Wing
R. Team India Hub
S. Knowledge and Innovation Hub
List II: (Function)
I. Connects states with the Centre to promote cooperative federalism
II. Maintains a repository of good governance practices and builds capacity
III. Provides a marketplace of expertise to central and state governments
IV. Develops in-house sectoral expertise as a dedicated think tank
(A) P-IV, Q-III, R-I, S-II
(B) P-III, Q-IV, R-II, S-I
(C) P-IV, Q-I, R-III, S-II
(D) P-I, Q-II, R-IV, S-III
(E) Answer not known

44. In which month and year was the announcement to dissolve the Planning Commission made by the Prime Minister of India?
(A) January 2014
(B) August 2014
(C) December 2014
(D) January 2015
(E) Answer not known

45. Consider the following statements regarding NITI Aayog's Three Year Action Agenda (2017 to 2020):
I. It replaced the traditional Five Year Plan documents.
II. It aligned with the broader 15-year vision and 7-year strategy documents.
III. It primarily focused on re-establishing central control over state finances.
Which of the above statement(s) is/are correct?
(A) I and III only
(B) I and II only
(C) II only
(D) III only
(E) Answer not known

46. Consider the following statements regarding the Sustainable Development Goals (SDGs) monitoring by NITI Aayog:
I. NITI Aayog is the nodal institution for coordinating the implementation of SDGs in India.
II. The SDG India Index ranks states to promote competitive federalism.
III. Tamil Nadu has consistently ranked among the top-performing states in the SDG India Index.
IV. The index is prepared in collaboration with the United Nations in India.
V. The index evaluates only the economic indicators, ignoring social and environmental parameters.
Which of the above statement(s) is/are correct?
(A) I, II, III and IV only
(B) I, III, IV and V only
(C) II, III and V only
(D) I, II and IV only
(E) Answer not known

47. Which of the following pairs of planning institutions and their Chairpersons is correctly matched?
(A) NITI Aayog Governing Council - Prime Minister of India
(B) National Development Council - President of India
(C) Tamil Nadu State Planning Commission - Chief Minister of Tamil Nadu
(D) Inter-State Council - Union Finance Minister
(E) Answer not known

48. Identify the correct chronological sequence of the following early proposals for economic planning in pre-independent India.
(A) Visvesvaraya Plan, Bombay Plan, People's Plan, Gandhian Plan
(B) Visvesvaraya Plan, Bombay Plan, Gandhian Plan, People's Plan
(C) Bombay Plan, Visvesvaraya Plan, People's

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Plan, Gandhian Plan
(D) Gandhian Plan, People's Plan, Visvesvaraya Plan, Bombay Plan
(E) Answer not known

49. Which of the following statements correctly identifies the overarching theme of the Twelfth Five Year Plan?
(A) Eradication of extreme poverty and hunger
(B) Double-digit growth through rapid industrialisation
(C) Decentralisation and democratic participation
(D) Faster, more inclusive, and sustainable growth
(E) Answer not known

50. Which of the following features best describes 'indicative planning' as adopted in India post-1991?
(A) The state issues compulsory directives and mandatory production targets to all sectors of the economy.
(B) The private sector operates independently without any state regulation, policy guidelines, or monitoring.
(C) The state sets broad goals and encourages the private sector through fiscal and monetary incentives.
(D) Planning is restricted to the agricultural sector while urban industries are left entirely to market forces.
(E) Answer not known

51. Who appoints the Vice-Chairperson of NITI Aayog?
(A) President of India
(B) Prime Minister of India
(C) Union Finance Minister
(D) Chief Justice of India
(E) Answer not known

52. Based on the following assertion and reason, select the correct option.
Assertion (A): NITI Aayog fosters competitive federalism among Indian states.
Reason (R): NITI Aayog regularly releases indices like the SDG India Index, Health Index, and Water Management Index to rank state performance.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

53. Match the following major developmental projects in List I with the Five Year Plans during which they were initiated in List II:
List I: (Project)
P. Bhakra Nangal Dam
Q. Bhilai Steel Plant
R. Bokaro Steel Plant
S. Minimum Needs Programme
List II: (Five Year Plan)
I. First Five Year Plan
II. Second Five Year Plan
III. Third Five Year Plan
IV. Fifth Five Year Plan
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-I, Q-III, R-II, S-IV
(D) P-IV, Q-II, R-I, S-III
(E) Answer not known

54. Which of the following statements correctly describes the composition of the Governing Council of NITI Aayog?
(A) It comprises the Prime Minister, all Union Cabinet Ministers, and the Governor of the Reserve Bank of India.
(B) It comprises the Prime Minister, the Vice-Chairperson of NITI Aayog, and a panel of five eminent economists.
(C) It includes the Prime Minister, State Chief Ministers, and Lieutenant Governors of the Union Territories.
(D) It comprises the President of India, the Prime Minister, and the Chief Ministers of all the Indian States.
(E) Answer not known

55. Consider the following statements regarding the 15-Year Vision Document introduced by NITI Aayog:
I. It replaced the Five Year Plan mechanism to provide a longer-term perspective.
II. It covers the period from 2017-18 to 2031-32.
III. It includes internal security and defence, which were traditionally kept out of Five

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Year Plans.
IV. It strictly prohibits the involvement of the private sector in infrastructure development.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) I, III and IV only
(C) I and II only
(D) III and IV only
(E) Answer not known

56. Which of the following pairs concerning the economic crisis of 1991 and Indian planning is incorrectly matched?
(A) 1991 Economic Crisis - Balance of Payments deficit
(B) Prime Minister in 1991 - P.V. Narasimha Rao
(C) Economic Strategy adopted - Liberalisation, Privatisation, Globalisation
(D) Planning Phase during Crisis - Start of the Ninth Five Year Plan
(E) Answer not known

57. Arrange the launch years of the following Five Year Plans in the correct chronological order:
I. Fourth Five Year Plan
II. Sixth Five Year Plan
III. Fifth Five Year Plan
IV. Seventh Five Year Plan
(A) I, III, II, IV
(B) I, II, III, IV
(C) III, I, II, IV
(D) I, III, IV, II
(E) Answer not known

58. Which of the following best compares the approach of the Planning Commission with that of NITI Aayog?
(A) The Planning Commission followed a bottom-up approach, whereas NITI Aayog emphasizes a top-down model.
(B) Both institutions strictly enforced imperative planning without consulting state-level legislative bodies.
(C) The Planning Commission followed a top-down model, while NITI Aayog focuses on a bottom-up partnership.
(D) The Planning Commission relied on private funds, while NITI Aayog relies exclusively on public resources.
(E) Answer not known

59. Which of the following statements regarding the poverty alleviation schemes of the Sixth Five Year Plan is incorrect?
(A) The Integrated Rural Development Programme (IRDP) was extended to all development blocks in the country.
(B) The National Rural Employment Programme (NREP) was launched to generate additional gainful employment.
(C) The Training of Rural Youth for Self-Employment (TRYSEM) scheme was introduced to provide technical skills.
(D) The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was enacted and fully implemented during this plan.
(E) Answer not known

60. The Seventh Five Year Plan (1985 to 1990) was notable for its distinct strategy. Which of the following was a key feature of this plan?
(A) It prioritized growth in food grains production, employment opportunities, and general productivity.
(B) It focused on the complete nationalisation of all major commercial and rural banks operating in India.
(C) It marked a transition from indicative planning models back to a strict Soviet-style command economy.
(D) It emphasized heavy industries while completely neglecting growth and investment in the agricultural sector.
(E) Answer not known

61. Which Five Year Plan adopted the slogan 'Garibi Hatao' (Eradicate Poverty) as a major objective?
(A) Third Five Year Plan
(B) Fourth Five Year Plan
(C) Fifth Five Year Plan
(D) Sixth Five Year Plan
(E) Answer not known

62. Based on the following assertion and reason, select the correct option.
Assertion (A): The First Five Year Plan gave the highest priority to agriculture, including irrigation and power projects.
Reason (R): The partition of India had severely disrupted the agricultural sector, leading to an urgent need to solve the food crisis and raw

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material shortage.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

63. Match the economic models/strategies in List I with their key proponents or associated sectors in List II:
List I: (Model/Strategy)
P. Harrod-Domar Model
Q. Mahalanobis Model
R. Gadgil Formula
S. PURA Strategy
List II: (Proponent/Sector)
I. Heavy and Basic Industries
II. Central assistance to State Plans
III. Provision of Urban Amenities to Rural Areas
IV. Savings and Investment driven growth
(A) P-IV, Q-I, R-II, S-III
(B) P-I, Q-IV, R-III, S-II
(C) P-IV, Q-II, R-I, S-III
(D) P-II, Q-III, R-IV, S-I
(E) Answer not known

64. Which of the following statements correctly identifies the parameters introduced in the modified Gadgil-Mukherjee formula for the allocation of central assistance to states?
(A) It relies exclusively on the population census of 1971 for determining all state-level allocations.
(B) It allocates central funds strictly based on the total geographic size and territorial area of the state.
(C) It considers population, per capita income, fiscal performance, and specific developmental problems.
(D) It provides half the funds equally to all states and distributes the remainder based on population counts.
(E) Answer not known

65. Consider the following statements regarding the Minimum Needs Programme (MNP):
I. It was introduced during the first year of the Fifth Five Year Plan.
II. Its objective was to provide certain basic minimum needs to the people, especially in rural areas.
III. It included components like rural health, rural water supply, and rural electrification.
IV. It was entirely funded and implemented by the private sector.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) II, III and IV only
(C) I and IV only
(D) II and IV only
(E) Answer not known

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66. Which of the following pairs of steel plants established during the Second Five Year Plan and their foreign collaborators is correctly matched?
(A) Bhilai Steel Plant - United Kingdom
(B) Durgapur Steel Plant - Soviet Union
(C) Rourkela Steel Plant - West Germany
(D) Bokaro Steel Plant - United States of America
(E) Answer not known

67. Arrange the following poverty alleviation and employment generation programmes in the chronological order of their launch:
I. Integrated Rural Development Programme (IRDP)
II. Jawahar Rozgar Yojana (JRY)
III. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
IV. Swarnajayanti Gram Swarozgar Yojana (SGSY)
(A) I, II, IV, III
(B) II, I, III, IV
(C) I, IV, II, III
(D) IV, I, II, III
(E) Answer not known

68. When comparing the sectoral allocation of resources in the first two Five Year Plans, which of the following is true?
(A) Both plans allocated the highest percentage of the total budget outlay to the agricultural sector.
(B) The First Plan prioritized heavy industries, while the Second Plan shifted focus to rural development.
(C) Both plans allocated identical proportions

of the total plan budget to social services and education.
(D) The First Plan focused on agriculture, while the Second Plan shifted focus to heavy industrialization.
(E) Answer not known

69. Which of the following statements regarding NITI Aayog's innovation initiatives is incorrect?
(A) NITI Aayog holds the statutory power to grant patents to successful start-ups under the AIM.
(B) NITI Aayog launched the Atal Innovation Mission (AIM) to promote a culture of innovation and entrepreneurship.
(C) Atal Tinkering Labs (ATLs) are established in schools across India under AIM.
(D) Atal Incubation Centres (AICs) focus on fostering start-ups in universities and corporate spaces.
(E) Answer not known

70. 'Growth with stability and progressive achievement of self-reliance' was the primary objective of which of the following Five Year Plans?
(A) Second Five Year Plan
(B) Third Five Year Plan
(C) Fourth Five Year Plan
(D) Sixth Five Year Plan
(E) Answer not known

71. In the context of the economic reforms of 1991, what was the actual growth rate achieved during the Eighth Five Year Plan (1992 to 1997) against a target of 5.6 percent?
(A) 3.5 percent
(B) 4.8 percent
(C) 5.6 percent
(D) 6.8 percent
(E) Answer not known

72. Based on the following assertion and reason, select the correct option.
Assertion (A): The Government of Tamil Nadu renamed the State Planning Commission to the State Development Policy Council (SDPC) in 2020.
Reason (R): The renaming was intended to completely abolish the planning process at the state level.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

73. Match the following NITI Aayog indices in List I with their core evaluation areas in List II:
List I: (Index)
P. Composite Water Management Index
Q. School Education Quality Index
R. State Health Index
S. Export Preparedness Index
List II: (Evaluation Area)
I. Evaluates learning outcomes and equity in education
II. Assesses states' readiness to export goods and services
III. Measures states' performance in managing water resources
IV. Tracks overall performance in health outcomes and health systems
(A) P-III, Q-I, R-IV, S-II
(B) P-I, Q-III, R-II, S-IV
(C) P-IV, Q-II, R-I, S-III
(D) P-III, Q-IV, R-I, S-II
(E) Answer not known

74. Which of the following statements correctly defines the changing role of the private sector in Indian planning post-1991?
(A) The private sector was completely excluded from contributing to infrastructure development projects.
(B) All major private industries were nationalised to achieve the specific targets of the Eighth Plan.
(C) Planning became indicative, giving the private sector a dominant and central role in economic growth.
(D) The private sector was mandated to follow production quotas determined solely by the state commission.
(E) Answer not known

75. Consider the following statements regarding the overall assessment of the Five Year Plans in India:
I. They successfully created a diversified

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industrial base in the country.
II. They completely eradicated poverty and unemployment by the end of the Tenth Plan.
III. They significantly improved infrastructure like roads, power, and irrigation.
IV. They often faced challenges related to inflation and balance of payments deficits.

Which of the above statement(s) is/are correct?
(A) I, III and IV only
(B) I, II and III only
(C) I and IV only
(D) II and III only
(E) Answer not known

76. Which of the following pairs of Five Year Plans and their distinct strategic approaches is incorrectly matched?
(A) First Plan - Harrod-Domar based agricultural expansion
(B) Second Plan - Mahalanobis strategy of rapid industrialisation
(C) Eighth Plan - Rao-Manmohan model of liberalisation
(D) Tenth Plan - Complete transition to a closed, autarkic economy
(E) Answer not known

77. Arrange the following evolutionary stages of planning and policy institutions in Tamil Nadu in chronological order:
I. Constitution of the State Planning Commission
II. Renaming to State Development Policy Council (SDPC)
III. Introduction of decentralized district planning in the state
IV. Reconstitution of the SDPC back to State Planning Commission
(A) I, III, II, IV
(B) III, I, IV, II
(C) I, II, III, IV
(D) I, IV, III, II
(E) Answer not known

78. Which of the following best compares the trend of plan expenditure between the Centre and the States over the course of the Five Year Plans?
(A) The States consistently contributed more than 80 percent of the total plan expenditure from the First Plan onwards.
(B) The Centre's share in total plan expenditure generally remained higher, reflecting the centralised nature of resource mobilisation.
(C) Over successive plans, the share of the States in total public sector plan expenditure gradually decreased in favor of the Centre.
(D) The Centre and States strictly maintained a 50-50 share in plan expenditure across all Five Year Plans.
(E) Answer not known

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79. Which of the following statements regarding the Aspirational Districts in Tamil Nadu is incorrect?
(A) NITI Aayog provides a substantial separate budgetary allocation of Rs. 10,000 crores directly to these districts annually.
(B) Ramanathapuram and Virudhunagar are the districts from Tamil Nadu included in the Aspirational Districts Programme.
(C) The programme focuses on key themes such as Health & Nutrition, Education, and Agriculture.
(D) The core strategy of the programme involves Convergence, Collaboration, and Competition among districts.
(E) Answer not known

80. What is the core philosophy underlying the functioning of NITI Aayog?
(A) Maintaining a centralized command and control structure over state-level economic and social policies.
(B) Positioning states as implementation agencies for central schemes without granting them policy input.
(C) Fostering cooperative federalism based on the principle that strong states make a strong nation.
(D) Implementing the complete privatization of all state-run welfare initiatives and social safety nets.
(E) Answer not known

81. What was the base year/period designated for the formulation of NITI Aayog's Seven Year Strategy for New India @ 75?
(A) 2014-15
(B) 2017-18
(C) 2020-21
(D) 2022-23

(E) Answer not known

82. Based on the following assertion and reason, select the correct option.
Assertion (A): The National Development Council (NDC) was officially abolished by a constitutional amendment in 2015.
Reason (R): The Governing Council of NITI Aayog has effectively replaced the role of the NDC in integrating state governments into national planning.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

83. Match the following performance dimensions of Tamil Nadu in List I with the corresponding NITI Aayog evaluation indices in List II:
List I: (Performance Dimension)
P. Performance in Maternal and Child Mortality reduction
Q. Performance in managing water resources and restoration of water bodies
R. Performance in sustainable development goals across multiple indicators
S. Performance in fostering a conducive environment for startups
List II: (Index)
I. SDG India Index
II. State Health Index
III. Composite Water Management Index
IV. India Innovation Index
(A) P-II, Q-III, R-I, S-IV
(B) P-I, Q-IV, R-II, S-III
(C) P-III, Q-I, R-IV, S-II
(D) P-IV, Q-II, R-III, S-I
(E) Answer not known

84. Which of the following statements correctly identifies a primary function of the Tamil Nadu State Planning Commission?
(A) It drafts and passes the comprehensive state budget within the legislative assembly sessions.
(B) It serves as the final appellate authority for resolving administrative disputes within the state.
(C) It manages the recruitment and training of all Group 1 civil service officers across the state.
(D) It advises the state on developmental policies and monitors the progress of major state schemes.
(E) Answer not known

85. Consider the following statements regarding the criticisms commonly leveled against NITI Aayog:
I. It has been criticized for being merely an advisory body lacking the financial teeth of the former Planning Commission.
II. Some states argue that it tends to centralize policy thinking while expecting decentralized implementation.
III. It has been accused of completely neglecting corporate sector involvement.
IV. Critics argue that it overemphasizes indices and rankings, which may lead to superficial administrative compliance rather than structural reforms.
Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) I, II and III only
(C) I and IV only
(D) II and IV only
(E) Answer not known

86. Which of the following pairs linking a Five Year Plan with a major economic or geopolitical crisis that affected its implementation is correctly matched?
(A) First Plan - Asian Financial Crisis
(B) Sixth Plan - Global Financial Crisis of 2008
(C) Third Plan - Sino-Indian and Indo-Pak Wars
(D) Tenth Plan - Balance of Payments Crisis of 1991
(E) Answer not known

87. Arrange the policy frameworks introduced by NITI Aayog in the order of their intended timeframes, from the longest to the shortest:
I. Three Year Action Agenda
II. Fifteen Year Vision
III. Seven Year Strategy
(A) II, III, I
(B) I, III, II
(C) III, II, I
(D) II, I, III

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(E) Answer not known

88. In comparing the financial allocation powers before and after 2014, which of the following is true?
(A) The Planning Commission only advised the RBI, whereas NITI Aayog directly controls state-level budgets.
(B) NITI Aayog has more statutory power to allocate funds than the Planning Commission possessed previously.
(C) No structural change has occurred in how plan funds are disbursed from the Centre to the State units.
(D) The Commission allocated plan funds, while currently, the Finance Ministry performs this role.
(E) Answer not known

89. Which of the following statements regarding the objectives of the Ninth Five Year Plan is incorrect?
(A) It prioritized agriculture and rural development to generate adequate and productive employment for the masses.
(B) It aimed to restore the public sector monopoly while strictly limiting the growth of the private sector.
(C) It sought to empower socially disadvantaged classes and minority groups to promote equitable distribution.
(D) It focused on promoting and developing people's participatory institutions such as the Panchayati Raj systems.
(E) Answer not known

90. What is the most appropriate reason for the adoption of two Annual Plans during the period 1990 to 1992 instead of launching the Eighth Five Year Plan?
(A) The government decided to evaluate the successes of the Seventh Plan extensively before proceeding further.
(B) The Planning Commission was temporarily disbanded by a mandate issued by the Supreme Court of India.
(C) The political instability and the balance of payments crisis made long-term planning difficult.
(D) The National Development Council refused to approve the technical draft of the Eighth Five Year Plan.
(E) Answer not known

91. What was the percentage of GDP growth targeted in the Tenth Five Year Plan (2002 to 2007)?
(A) 6.5 percent
(B) 7.0 percent
(C) 8.0 percent
(D) 9.5 percent
(E) Answer not known

92. Based on the following assertion and reason, select the correct option.
Assertion (A): The future of economic planning in India under NITI Aayog has shifted decisively towards indicative planning.
Reason (R): The deepening of market reforms and liberalisation requires the government to act as a facilitator rather than a controller of economic activities.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

93. Match the following Five Year Plans in List I with their distinctive highlights or achievements in List II:
List I: (Five Year Plan)
P. Second Plan
Q. Fourth Plan
R. Sixth Plan
S. Eighth Plan
List II: (Highlight/Achievement)
I. Focus on Human Development
II. Nationalisation of 14 major commercial banks
III. Introduction of TRYSEM and DWCRA
IV. Rapid expansion of basic and heavy industries
(A) P-IV, Q-II, R-III, S-I
(B) P-II, Q-IV, R-I, S-III
(C) P-IV, Q-I, R-II, S-III
(D) P-III, Q-II, R-IV, S-I
(E) Answer not known

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94. Which of the following statements correctly states the central theme of the Eleventh Five Year Plan (2007 to 2012)?
(A) Eradication of poverty and achieving self-reliance
(B) Faster and more inclusive growth
(C) Growth with stability
(D) Sustainable and equitable industrialisation
(E) Answer not known

95. Consider the following components used in the Modified Gadgil Formula for the distribution of central plan assistance:
I. Population
II. Per capita income (deviation)
III. Performance in tax effort and fiscal management
IV. Geographical area
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) I, III and IV only
(C) I and II only
(D) II and IV only
(E) Answer not known

96. Which of the following pairs mapping terminology to its definition in the context of Indian planning is incorrectly matched?
(A) Imperative Planning - A planning mechanism that is heavily directed by central state command.
(B) Indicative Planning - A mechanism where the state provides broad goals and fiscal incentives.
(C) Rolling Plan - A plan that provides for annual revision of targets and durations continuously.
(D) Plan Holiday - A designated period when no formal Five Year Plan was in active operation.
(E) Answer not known

97. Arrange the sequential steps previously involved in the formulation and approval of a Five Year Plan before 2014:
I. Final approval by the National Development Council
II. Preparation of a Draft Approach Paper by the Planning Commission
III. Approval of the Draft Approach Paper by the Union Cabinet
IV. Discussion in the Parliament
(A) II, III, I, IV
(B) I, II, III, IV
(C) II, I, III, IV
(D) III, II, IV, I
(E) Answer not known

98. When comparing the allocation of resources under the Planning Commission era versus the NITI Aayog era, which statement is most accurate?
(A) The Planning Commission only advised, but NITI Aayog can directly disburse funds to state-level treasuries.
(B) The Planning Commission ignored the Finance Commission, while NITI Aayog operates subordinately to it.
(C) The Plan/Non-Plan distinction was removed, merging planning with the general budgeting process.
(D) No structural change has occurred in how plan funds are disbursed from the Centre to the State units.
(E) Answer not known

99. Which of the following statements regarding the structural composition of NITI Aayog is incorrect?
(A) The Prime Minister is the ex-officio Chairperson of NITI Aayog.
(B) The Chief Executive Officer (CEO) is directly elected by the Chief Ministers of all states.
(C) Regional Councils are formed to address specific issues impacting more than one state or region.
(D) The Vice-Chairperson holds a rank equivalent to a Cabinet Minister.
(E) Answer not known

100. What is the ultimate objective of the Aspirational Districts Programme steered by NITI Aayog?
(A) To privatize all public healthcare facilities in the identified districts to improve service delivery.
(B) To create special economic zones for heavy industries in these districts to boost industrial output.
(C) To transfer administrative control of these districts from the State Government to the Central Government.

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(D) To rapidly transform under-developed districts and bring them at par with the best-performing areas.
(E) Answer not known

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ANSWERS

1. (D) Soviet Union
India adopted a centralized planning system similar to the Soviet Union's Gosplan. This model emphasized state control over resources and the setting of specific economic targets through Five Year Plans. The approach aimed to achieve rapid industrialization and self-reliance by directing investments into key sectors, reflecting the socialist influence on the nation's early developmental strategies.

2. (B) Both A and R are true but R is not the correct explanation of A.
The Planning Commission was established in March 1950 via an executive resolution, making it a non-constitutional and non-statutory body. While it is historically accurate that Jawaharlal Nehru served as the first Chairman, this fact does not explain the legal or administrative mechanism through which the commission was originally created by the government of India.

3. (A) P-II, Q-III, R-IV, S-I
Economic planning followed specific models across different periods. The First Plan used the Harrod-Domar model, while the Second Plan adopted the Mahalanobis model for heavy industry. The Third Plan focused on balanced growth between agriculture and industry. The Fifth Plan prioritized poverty alleviation, famously known as the Garibi Hatao campaign, to improve social welfare and equity.

4. (C) 1952
The National Development Council was established in August 1952 to strengthen and mobilize the effort and resources of the nation in support of the Five Year Plans. It serves as the apex body for decision-making and deliberations on development matters, ensuring that states cooperate with the Centre to achieve unified national economic goals and objectives.

5. (B) I and III only
The First Five Year Plan primarily focused on the agricultural sector to address food shortages following independence. It was based on the Harrod-Domar model, emphasizing high savings and investment to stimulate growth. While it prioritized irrigation and power projects to support farming, the focus on rapid heavy industrialization actually became the central theme later.

6. (A) I, II, III and V only
The Planning Commission was headed by the Prime Minister as the ex-officio Chairman. Its Deputy Chairman was the functional head, and the Finance Minister served as an ex-officio member. Functioning as a non-statutory advisory body, it did not include Chief Ministers as full-time members; instead, they participated through the National Development Council for plan approvals.

7. (A) Third Plan - Initiation of the Green Revolution
The Third Five Year Plan witnessed the initial phases of the Green Revolution as a response to severe food crises. Although the plan faced setbacks due to wars and droughts, the introduction of high-yielding variety seeds during this period laid the foundation for agricultural transformation. Other major projects like specific steel plants were initiated during the Second Plan.

8. (A) Plan Holiday, Rolling Plan, Annual Plans
Indian planning experienced several interruptions due to economic or political instability. The Plan Holiday occurred between 1966 and 1969 following the Third Plan. The Rolling Plan was introduced by the Janata government from 1978 to 1980. Finally, the Annual Plans were implemented between 1990 and 1992 during the transition to a more liberalized economic framework.

9. (B) It adopted the Mahalanobis two-sector model focusing heavily on basic and heavy industries.
The Second Five Year Plan shifted the focus from agriculture to rapid industrialization. Following the Mahalanobis model, the strategy emphasized the development of capital goods and heavy industries like steel, chemicals, and machine

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building. This approach was intended to create a strong industrial base and promote long-term economic self-sufficiency through significant public sector investments and planning.

10. (C) The severe economic crisis caused by wars and consecutive droughts.
A Plan Holiday was declared between 1966 and 1969 because the economy was severely strained. The impacts of the 1962 Sino-Indian War and the 1965 Indo-Pak War, combined with two successive years of failure in monsoons, led to a foreign exchange crisis. Consequently, the government replaced the Five Year Plans with Annual Plans to stabilize the economy.

11. (D) Janata Party under Morarji Desai
The Rolling Plan concept was introduced by the Janata Party government after it came to power in 1977. This approach terminated the Fifth Five Year Plan a year early and replaced it with a system where plan performance was reviewed annually. It allowed for continuous adjustments in targets and allocations based on the changing needs of the economy.

12. (A) Both A and R are true and R is the correct explanation of A.
The Third Five Year Plan aimed for self-sustained growth but failed significantly to meet its targets. This failure was directly caused by external shocks and natural disasters, including major wars with China and Pakistan. Additionally, a severe drought led to a collapse in agricultural output, forcing the government to shift its focus toward immediate crisis management and defense.

13. (A) P-II, Q-I, R-III, S-IV
Various poverty and employment schemes were introduced across different plans. The Minimum Needs Programme began in the Fifth Plan to provide basic amenities. The Integrated Rural Development Programme was launched during the Sixth Plan. The Seventh Plan saw the Jawahar Rozgar Yojana for rural employment, while the Prime Minister's Rozgar Yojana was established during the Eighth Five Year Plan.

14. (B) Seventh Five Year Plan
The Seventh Five Year Plan aimed to increase food grain production, create employment, and improve productivity. It emphasized the importance of the social sector and rural development. During this period, Operation Flood achieved significant success, transforming India into a major milk producer. The plan also focused on technological upgrades and the modernization of industries to foster overall economic efficiency.

15. (A) I and II only
The Eighth Five Year Plan was the first to be implemented following the 1991 economic reforms. It transitioned the economy toward a more market-oriented system while maintaining the government's role in human development areas like education and health. Although the public sector's role was redefined to be more selective, it was not completely eliminated from the national economy.

16. (A) I, III, IV and V only
NITI Aayog is chaired by the Prime Minister and includes a Governing Council with all State Chief Ministers. The CEO is appointed by the Prime Minister for a fixed tenure. It also involves part-time members from academic institutions. However, the Vice-Chairperson is appointed by the Prime Minister, not the President, distinguishing it from constitutional appointments like the Finance Commission.

17. (D) Plan Holiday - 1997 to 1999
There were three major periods of planning interruptions in India. The first Plan Holiday occurred from 1966 to 1969. The Rolling Plan took place between 1978 and 1980, and the Annual Plans were implemented from 1990 to 1992. No Plan Holiday existed between 1997 and 1999, as the Ninth Five Year Plan was actively in operation during those years.

18. (A) Action Agenda, Strategy, Vision
NITI Aayog replaced the Five Year Plans with a multi-tiered planning framework. This includes a short-term Three Year Action Agenda, a mid-term Seven Year Strategy, and a long-term Fifteen Year Vision. This structure allows for greater flexibility and better alignment with long-range developmental goals while providing specific, actionable steps for the immediate future to ensure consistent national progress.

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19. (B) Growth with social justice and equity
The Ninth Five Year Plan was launched during the 50th year of India's independence. Its primary focus was to ensure that the benefits of economic growth reached the marginalized sections of society. The plan emphasized rural development, agricultural growth, and the empowerment of women and disadvantaged groups, aiming to balance rapid economic progress with the goal of social equity.

20. (D) To adopt a bottom-up approach and foster cooperative federalism.
NITI Aayog was created to replace the centralized, top-down approach of the Planning Commission with a collaborative model. It functions as a think tank that provides directional and policy inputs. By involving states in the decision-making process through the Governing Council, it promotes cooperative federalism, ensuring that regional needs and perspectives are integrated into the national development agenda.

21. (B) Fourth Five Year Plan
The Gadgil formula was introduced during the Fourth Five Year Plan to provide a transparent and objective basis for distributing central plan assistance to states. It moved away from discretionary allocations, using specific criteria like population and per capita income. This formula was intended to promote regional balance and ensure that financially weaker states received adequate support for development.

22. (B) Both A and R are true but R is not the correct explanation of A.
The Twelfth Five Year Plan concluded the era of five-year planning in India. Although the Planning Commission was indeed replaced by NITI Aayog in 2015, the Twelfth Plan was allowed to complete its scheduled duration through 2017. The transition to the new institutional framework marks a significant shift in the philosophy and methodology of economic planning in India.

23. (A) P-IV, Q-III, R-I, S-II
The Ninth Plan emphasized growth with social justice and equity. The Tenth Plan introduced specific monitorable targets for indicators like poverty and literacy. The Eleventh Plan's theme was faster and more inclusive growth, aiming for broad-based benefits. The Twelfth Plan expanded this vision, focusing on faster, more inclusive, and sustainable growth to address long-term environmental and social challenges.

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24. (B) 1 January 2015
NITI Aayog was formally established through a Union Cabinet resolution on January 1, 2015. This followed the Prime Minister's announcement on Independence Day in 2014 regarding the dissolution of the Planning Commission. The new institution was designed to act as a premier policy think tank, providing both directional and technical advice to the Central and State governments.

25. (A) I and II only
The Eleventh Five Year Plan prioritized inclusive growth to ensure that development benefits reached all segments of society. It significantly increased allocations for the social sector, particularly for education through the Right to Education and for healthcare. Although the economy showed strong performance, it did not achieve a sustained double-digit growth rate throughout the entire five-year plan period.

26. (A) I, II, III and V only
The National Development Council acts as the highest body for planning approval. It reviews the national plans prepared by the commission, prescribes guidelines for formulation, and assesses the resources needed for implementation. While it plays a critical role in reviewing plan progress and fostering Centre-State cooperation, it is an executive body and does not possess constitutional legislative powers.

27. (D) Aspirational Districts Programme – Improves performance in the 112 most under-developed districts through data monitoring.
The Aspirational Districts Programme is a flagship initiative of NITI Aayog designed to transform districts that have shown relatively less progress in key social areas. By focusing on convergence, collaboration, and competition, the programme uses real-time data monitoring to drive improvements in health, education, and infrastructure. It encourages districts to learn from the best practices of their peers.

28. (A) Agriculture and Irrigation, Transport and Communications, Social Services, Industry
During the First Five Year Plan, the government focused on rebuilding the economy after partition. The highest priority was given to the agricultural sector, including irrigation and power, to achieve food self-sufficiency. This was followed by investments in transport and communications to improve connectivity, while social services and industrial development received relatively lower allocations during this initial planning phase.

29. (B) It considers population, per capita income, and relative performance in mobilizing internal tax resources.
The Modified Gadgil-Mukherjee formula was used to ensure equitable distribution of central assistance to states. It utilizes objective criteria including population weightage, per capita income distance, and fiscal performance. By rewarding states for efficient tax mobilization and management, the formula aims to support development while encouraging states to maintain financial discipline and improve their own internal resource generation.

30. (B) States partner for national growth while competing to improve development indices and governance.
NITI Aayog promotes a model where states work together toward national objectives while simultaneously competing to rank higher on various performance indices. This competitive element encourages states to adopt best practices and improve governance in sectors like health, education, and water management. This dual approach fosters a spirit of collaboration and excellence, driving overall national development forward.

31. (A) NITI Aayog
NITI Aayog launched the Aspirational Districts Programme in 2018 to improve the socio-economic status of the most backward districts in India. The programme focuses on five main themes: health and nutrition, education, agriculture and water resources, financial inclusion and skill development, and basic infrastructure. It represents a shift toward data-driven governance and localized development strategies at the district level.

32. (A) Both A and R are true and R is the correct explanation of A.
NITI Aayog functions primarily as a think tank and advisory body, unlike the Planning Commission which had the authority to allocate funds. Following the restructuring of the planning process, the power to allocate central plan funds was transferred to the Ministry of Finance. This change allows NITI Aayog to focus on policy research and long-term strategic planning for the country.

33. (A) P-IV, Q-III, R-II, S-I
Early economic planning in India was shaped by diverse thinkers. M. Visvesvaraya authored the first blueprint in 1934. P.C. Mahalanobis developed the strategy for heavy industries used in the Second Plan. D.R. Gadgil formulated the criteria for central fund allocation to states. Shriman Narayan Agarwal proposed the Gandhian Plan, which emphasized rural development and cottage industries for economic growth.

34. (B) 112
NITI Aayog originally identified 112 districts across the country as 'Aspirational Districts'. These districts were selected based on their performance across several socio-economic indicators. The goal of the programme is to enable these districts to catch up with the best-performing districts in their respective states and the country through targeted interventions and constant monitoring of their developmental progress.

35. (A) I and II only
The Tamil Nadu State Planning Commission was established in 1971 to advise the state government. In 2020, it was renamed the State Development Policy Council to reflect its evolving role in policy formulation. While it provides critical research and monitoring services, it remains an advisory body and does not have statutory authority to enforce budget allocations across state departments.

36. (A) I, II, IV and V only
The Five Year Plan model faced several criticisms, including its top-down approach which often failed to account for local diversities. It led to a concentration of economic power at the center

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and was plagued by bureaucratic delays and implementation inefficiencies. Additionally, plans were often viewed as overly ambitious, setting targets that the nation's available resources could not realistically support.

37. (D) Fifth Plan - Transition to Market Economy
The focus areas of the Five Year Plans varied significantly. The First Plan targeted agriculture, the Second emphasized heavy industries, and the Fourth focused on growth with stability. However, the Fifth Plan was primarily dedicated to poverty removal and self-reliance. The transition toward a more market-oriented economy did not begin in earnest until the Eighth Plan following the 1991 reforms.

38. (A) Jawaharlal Nehru, Indira Gandhi, Morarji Desai, Manmohan Singh
The chairmanship of the Planning Commission and later NITI Aayog followed the succession of India's Prime Ministers. Jawaharlal Nehru was the first chairman, followed by subsequent leaders including Indira Gandhi. Morarji Desai led the commission during the Janata period, and Manmohan Singh served during the later Five Year Plans. This chronological sequence reflects the historical evolution of India's top economic leadership.

39. (A) It tracks progress across states on 16 out of 17 major Sustainable Development Goals.
The SDG India Index is a comprehensive tool developed by NITI Aayog to monitor the country's progress toward the United Nations Sustainable Development Goals for 2030. It evaluates states and union territories on 16 goals, using a set of indicators to rank their performance. This index promotes transparency and competitive federalism by highlighting areas where states need further developmental focus.

40. (D) The plan introduced monitorable targets for development indicators alongside the general growth target.
The Tenth Five Year Plan was unique because it supplemented its economic growth targets with specific, monitorable targets for various social indicators. These included goals for reducing poverty, increasing literacy rates, and improving health outcomes. This shift ensured that the planning process moved beyond mere GDP figures to address the quality of life and human development more directly and transparently.

41. (C) 1971
The Tamil Nadu State Planning Commission was constituted on May 25, 1971. It was established as an advisory body to help the state government formulate developmental plans and monitor their implementation. The commission plays a vital role in ensuring that the state's policies align with its long-term goals of social justice, economic growth, and comprehensive welfare for all citizens.

42. (D) A is false but R is true.
The Fifth Five Year Plan was originally scheduled for the period 1974 to 1979. However, it did not complete its full term because the newly elected Janata Party government terminated it in 1978, one year early. The government then introduced the Rolling Plan, which aimed for a more flexible planning process, before the subsequent return of the Congress government in 1980.

43. (A) P-IV, Q-III, R-I, S-II
NITI Aayog operates through specialized hubs and wings. The Research Wing builds internal expertise, while the Consultancy Wing offers technical support to governments. The Team India Hub facilitates collaboration between the Centre and States. Finally, the Knowledge and Innovation Hub serves as a repository of best practices, fostering a culture of continuous learning and policy innovation across the country.

44. (B) August 2014
In his first Independence Day speech on August 15, 2014, the Prime Minister announced the decision to dissolve the Planning Commission. This announcement signaled a major shift in India's economic governance, moving away from centralized planning toward a more collaborative and strategic framework. This eventually led to the creation of NITI Aayog as a modern think tank for the government.

45. (B) I and II only
NITI Aayog's Three Year Action Agenda was designed to replace the old Five Year Plans with a more dynamic and realistic framework. It was carefully aligned with a longer-term seven-year strategy and a fifteen-year vision. Rather than

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centralizing control, the agenda focused on policy reforms and sectoral targets, providing a clearer roadmap for achieving sustainable economic growth and development.

46. (A) I, II, III and IV only
NITI Aayog coordinates the implementation of Sustainable Development Goals in India, utilizing the SDG India Index to rank states across social, economic, and environmental parameters. Prepared in collaboration with the United Nations, the index fosters competition among states. Tamil Nadu has consistently been recognized as a top performer, demonstrating strong progress toward achieving global development targets by the year 2030.

47. (A) NITI Aayog Governing Council - Prime Minister of India
The NITI Aayog Governing Council is headed by the Prime Minister as its Chairperson. In contrast, the National Development Council was also traditionally chaired by the Prime Minister. The Tamil Nadu State Planning Commission is chaired by the Chief Minister of the state. These structures ensure that the highest level of political leadership is involved in the planning and policy processes.

48. (B) Visvesvaraya Plan, Bombay Plan, Gandhian Plan, People's Plan
Early economic planning proposals in India appeared in a specific sequence. M. Visvesvaraya proposed the first plan in 1934. The Bombay Plan was drafted by leading industrialists in early 1944. Later that same year, the Gandhian Plan was introduced by Shriman Narayan Agarwal. Finally, the People's Plan was formulated by M.N. Roy in 1945, emphasizing socialist principles and agriculture.

49. (D) Faster, more inclusive, and sustainable growth
The Twelfth Five Year Plan was the final five-year plan in India. It expanded the previous plan's theme of inclusive growth by adding the critical dimension of sustainability. This meant focusing not just on rapid and broad-based economic progress, but also on environmental protection and resource management to ensure that the development could be maintained for future generations.

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50. (C) The state sets broad goals and encourages the private sector through fiscal and monetary incentives.
Indicative planning represents a shift from a command economy to a market-friendly approach. Instead of mandatory directives, the state provides a general direction for the economy and sets overall targets. It uses policy instruments like taxes, subsidies, and interest rates to guide the private sector toward national objectives, allowing market forces to determine the actual allocation of resources.

51. (B) Prime Minister of India
The Vice-Chairperson of NITI Aayog is appointed directly by the Prime Minister of India. This position holds the rank of a Cabinet Minister and is responsible for the day-to-day administration and strategic direction of the institution. This appointment process ensures that the leadership of the government's premier think tank is closely aligned with the Prime Minister's vision for national development.

52. (A) Both A and R are true and R is the correct explanation of A.
NITI Aayog actively fosters competitive federalism by ranking states on various developmental indices. By regularly publishing data-driven reports like the SDG India Index and the Health Index, it creates a healthy competition among states to improve their governance and outcomes. This transparency encourages states to learn from each other and implement effective reforms to move up the rankings.

53. (A) P-I, Q-II, R-III, S-IV
Major national projects were launched across different planning periods. The Bhakra Nangal Dam was a highlight of the First Plan's agricultural focus. The Bhilai Steel Plant was established during the Second Plan's industrial push. The Bokaro Steel Plant began during the Third Plan. Finally, the Minimum Needs Programme was introduced during the Fifth Plan to address basic rural requirements.

54. (C) It includes the Prime Minister, State Chief Ministers, and Lieutenant Governors of the Union Territories.
The Governing Council of NITI Aayog is the key body for fostering cooperative federalism. It

consists of the Prime Minister, who serves as the Chairperson, along with the Chief Ministers of all states and the Lieutenant Governors of Union Territories. This inclusive composition ensures that the voices and priorities of all sub-national governments are heard during the formulation of national policies.

55. (A) I, II and III only
The 15-Year Vision Document provides a long-term perspective for India's development through 2032. Unlike the former Five Year Plans, it integrates sensitive areas like internal security and national defense into the planning framework. It seeks to provide a comprehensive roadmap for the nation's future while remaining flexible enough to adapt to changing global and domestic economic conditions over time.

56. (D) Planning Phase during Crisis - Start of the Ninth Five Year Plan
The 1991 economic crisis was characterized by a severe balance of payments deficit. Under Prime Minister P.V. Narasimha Rao, India adopted the Liberalisation, Privatisation, and Globalisation (LPG) strategy. During this crisis period, the Eighth Five Year Plan was delayed, and instead, two Annual Plans were implemented from 1990 to 1992. The Ninth Plan did not begin until 1997.

57. (A) I, III, II, IV
The chronological sequence of these plans reflects India's economic history. The Fourth Plan began in 1969 after the Plan Holiday. The Fifth Plan followed in 1974 but was terminated early. After the Rolling Plan interruption, the Sixth Plan was launched in 1980. Finally, the Seventh Plan commenced in 1985, focusing on food grain production and increasing general economic productivity.

58. (C) The Planning Commission followed a top-down model, while NITI Aayog focuses on a bottom-up partnership.
The Planning Commission was often criticized for its centralized, one-size-fits-all approach to economic development. In contrast, NITI Aayog was designed to be a collaborative platform where states are active partners. By adopting a bottom-up approach, it ensures that local needs and regional aspirations are integrated into national strategies, thereby strengthening the spirit of cooperative federalism in India.

59. (D) The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was enacted and fully implemented during this plan.
During the Sixth Five Year Plan, several successful schemes like IRDP, NREP, and TRYSEM were implemented to alleviate rural poverty. However, MGNREGA was not part of this plan; it was enacted much later, in 2005, and implemented starting from the Tenth Plan period. The Sixth Plan was significant for its direct attack on poverty through structured employment and training programmes.

60. (A) It prioritized growth in food grains production, employment opportunities, and general productivity.
The Seventh Five Year Plan focused on the objectives of food, work, and productivity. It aimed to accelerate food grain production and create massive employment opportunities through various rural and social sector programmes. This plan also emphasized the role of technology and modernization, marking a significant step toward improving the overall efficiency and competitiveness of the Indian economy during the late 1980s.

61. (C) Fifth Five Year Plan
The slogan 'Garibi Hatao' was a central theme of the Fifth Five Year Plan. It represented a strategic shift toward the direct alleviation of poverty and the achievement of economic self-reliance. The plan focused on providing basic minimum needs to the poor and aimed to reduce economic inequalities through various social welfare measures and targeted rural development initiatives across the country.

62. (A) Both A and R are true and R is the correct explanation of A.
The First Five Year Plan gave highest priority to agriculture because the country faced acute food shortages after independence and partition. The partition had left some of the most fertile lands in Pakistan, causing a raw material crisis for Indian industries like textiles. Developing irrigation and power was essential to stabilize the economy and ensure food security for the population.

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63. (A) P-IV, Q-I, R-II, S-III
Various models have guided India's development. The Harrod-Domar model focused on investment-led growth. The Mahalanobis model prioritized heavy industrialization. The Gadgil formula standardized central aid to states. The PURA strategy, advocated by Dr. A.P.J. Abdul Kalam, aimed to provide urban amenities in rural areas to bridge the developmental gap and discourage migration to already overcrowded urban centers.

64. (C) It considers population, per capita income, fiscal performance, and specific developmental problems.
The modified Gadgil-Mukherjee formula was designed to make the allocation of central assistance to states more equitable and performance-based. It moved away from purely demographic criteria by including factors such as per capita income distance and fiscal discipline. This approach ensures that states with greater developmental needs or better financial management receive appropriate support, encouraging overall national growth and stability.

65. (A) I, II and III only
The Minimum Needs Programme was launched during the first year of the Fifth Five Year Plan. Its primary goal was to provide basic social services like rural health, water supply, and electrification to the underprivileged sections of society. The program was a public initiative funded and implemented by the government to ensure a basic standard of living, rather than being a private-sector endeavor.

66. (C) Rourkela Steel Plant - West Germany
During the Second Five Year Plan, India established several major steel plants with international collaboration. The Rourkela Steel Plant was built with assistance from West Germany. In contrast, the Bhilai and Bokaro plants were developed with Soviet Union support, while the Durgapur plant was established with help from the United Kingdom. These collaborations were crucial for building India's heavy industrial foundation.

67. (A) I, II, IV, III
Poverty alleviation programmes were launched at different stages. The Integrated Rural Development Programme began in 1978. The Jawahar Rozgar Yojana followed in 1989. The Swarnajayanti Gram Swarozgar Yojana was introduced in 1999 to reorganize self-employment schemes. Finally, the MGNREGA was enacted in 2005, providing a legal guarantee for rural employment, representing the most recent and largest of these major initiatives.

68. (D) The First Plan focused on agriculture, while the Second Plan shifted focus to heavy industrialization.
The first two plans showed a clear shift in economic strategy. The First Plan was designed to solve the food crisis by investing heavily in agriculture and irrigation. The Second Plan, influenced by the Mahalanobis model, moved resources toward basic and heavy industries to create an industrial base. This transition reflected the government's evolving priorities from immediate survival to long-term industrial self-sufficiency.

69. (A) NITI Aayog holds the statutory power to grant patents to successful start-ups under the AIM.
NITI Aayog promotes innovation through the Atal Innovation Mission, which includes setting up Atal Tinkering Labs in schools and Incubation Centres in universities. While it fosters a culture of entrepreneurship and provides technical support, NITI Aayog is not a regulatory body and does not have the legal or statutory power to grant patents; that function remains with the patent office.

70. (C) Fourth Five Year Plan
The Fourth Five Year Plan emphasized growth with stability and the progressive achievement of self-reliance. This focus was necessary because the economy had been destabilized by wars and droughts in the mid-1960s. The plan aimed to reduce dependence on foreign aid and ensure that economic progress was sustainable without causing excessive inflation, while also focusing on the development of the agricultural sector.

71. (D) 6.8 percent
The Eighth Five Year Plan was remarkably successful, achieving a growth rate of 6.8 percent against its original target of 5.6 percent. This high growth was driven by the structural reforms introduced in 1991, which liberalized the economy and encouraged private investment.

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The plan's success demonstrated the resilience of the Indian economy and its positive response to the new market-oriented policy framework.

72. (C) A is true but R is false.
In 2020, the Tamil Nadu government renamed the State Planning Commission as the State Development Policy Council. This change was meant to modernize the institution's role, focusing on evidence-based policy research and long-term development strategies. It was not intended to abolish planning; rather, it aimed to enhance the quality of policy advice provided to the government in a more complex economic environment.

73. (A) P-III, Q-I, R-IV, S-II
NITI Aayog uses specialized indices to track state performance. The Composite Water Management Index focuses on water resource restoration. The School Education Quality Index evaluates educational outcomes. The State Health Index monitors health systems and results. Finally, the Export Preparedness Index assesses the readiness of states for international trade, encouraging them to improve their infrastructure and business environment for global exports.

74. (C) Planning became indicative, giving the private sector a dominant and central role in economic growth.
Post-1991 reforms significantly altered the planning process in India. The state moved away from direct control to a more supportive role, adopting indicative planning. This allowed the private sector to become the primary engine of economic growth. The government shifted its focus toward providing infrastructure and maintaining a stable policy environment, while encouraging private investment in sectors previously reserved for the public sector.

75. (A) I, III and IV only
Over several decades, Five Year Plans succeeded in building a strong industrial base and improving vital infrastructure like irrigation and roads. However, they also faced persistent challenges such as inflation and balance of payments difficulties. While significant progress was made, the plans did not completely eradicate poverty or unemployment, which remain complex and ongoing developmental challenges for the Indian economy.

76. (D) Tenth Plan - Complete transition to a closed, autarkic economy
India's planning phases followed specific strategies. The First Plan focused on agriculture, and the Second on heavy industry. The Eighth Plan marked the move toward liberalisation. The Tenth Plan, however, was characterized by a push for higher GDP growth and social targets within a globalizing framework. It did not advocate for a closed economy, as India had already embraced open-market reforms.

77. (A) I, III, II, IV
Planning in Tamil Nadu evolved through several stages. It began with the creation of the State Planning Commission in 1971. Later, decentralized district-level planning was introduced. In 2020, the commission was renamed the State Development Policy Council to modernize its functions. Eventually, the institution was reconstituted back to its original name as the State Planning Commission to continue its advisory role.

78. (B) The Centre's share in total plan expenditure generally remained higher, reflecting the centralised nature of resource mobilisation.
Throughout the era of Five Year Plans, the Central government typically accounted for a larger share of total plan expenditure. This reflected the centralized structure of resource mobilization in India, where the Centre held more powers to raise revenue. While states implemented many developmental schemes, they remained significantly dependent on central transfers and assistance to fund their specific planned economic and social activities.

79. (A) NITI Aayog provides a substantial separate budgetary allocation of Rs. 10,000 crores directly to these districts annually.
The Aspirational Districts Programme in Tamil Nadu includes Ramanathapuram and Virudhunagar. It operates through convergence and collaboration rather than providing massive direct budgetary allocations. The strategy focuses on improving governance and service delivery in health, education, and agriculture. Districts compete to improve their rankings, and top performers may receive relatively small challenge grants as rewards for their successful developmental efforts.

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80. (C) Fostering cooperative federalism based on the principle that strong states make a strong nation.
NITI Aayog is built on the philosophy of cooperative federalism, recognizing that national progress depends on the active participation of all states. It acts as a bridge between the Centre and States, providing a platform for joint decision-making. By empowering states to develop their own strategies and share best practices, NITI Aayog aims to create a more resilient and balanced national economy.

81. (B) 2017-18
NITI Aayog's 'Strategy for New India @ 75' was formulated with 2017-18 as the base year. This document outlines forty-one different areas for reform and development to be achieved by the time India reached the 75th year of its independence. It provides a comprehensive middle-term roadmap, bridging the gap between immediate action agendas and the long-term fifteen-year vision for the country.

82. (D) A is false but R is true.
The National Development Council has not been officially abolished by a constitutional amendment, but its functional importance has diminished. The Governing Council of NITI Aayog, which includes all Chief Ministers, has effectively taken over the NDC's role as the primary forum for integrating states into the planning process. This change reflects the shift toward a more modern and collaborative institutional framework.

83. (A) P-II, Q-III, R-I, S-IV
Tamil Nadu's performance is measured across various indices. The State Health Index tracks mortality reductions. The Composite Water Management Index evaluates water restoration efforts. The SDG India Index measures overall progress toward sustainable development. Finally, the India Innovation Index assesses the state's environment for startups and entrepreneurship, highlighting Tamil Nadu's strong performance as a leading hub for innovation and industrial growth.

84. (D) It advises the state on developmental policies and monitors the progress of major state schemes.
The Tamil Nadu State Planning Commission serves as an advisory body to the state government. Its primary functions include formulating developmental policies, conducting policy research, and monitoring the implementation of major schemes. It does not possess legislative powers or manage civil service recruitment; instead, it provides the strategic inputs necessary for the state to achieve its economic and social development goals effectively.

85. (A) I, II and IV only
NITI Aayog faces criticisms for lacking the financial power to award grants, which was a key feature of the Planning Commission. Some states feel it centralizes policy thinking while pushing implementation onto them. Additionally, the focus on rankings is sometimes seen as encouraging superficial compliance. However, it does not neglect corporate involvement; in fact, it actively encourages private sector participation in development.

86. (C) Third Plan - Sino-Indian and Indo-Pak Wars
The implementation of the Third Five Year Plan was severely disrupted by two major conflicts: the Sino-Indian War of 1962 and the Indo-Pak War of 1965. These geopolitical crises, combined with a severe domestic drought, diverted resources toward defense and relief, leading to the plan's failure to meet its targets and necessitating a subsequent period of Annual Plans.

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87. (A) II, III, I
NITI Aayog utilizes three distinct planning documents with different time horizons. The longest is the Fifteen Year Vision, which provides the overall direction for the country. This is followed by a Seven Year Strategy that outlines specific sectoral goals. The shortest is the Three Year Action Agenda, which contains immediate, actionable policy steps to drive the economy toward its long-term objectives.

88. (D) The Commission allocated plan funds, while currently, the Finance Ministry performs this role.
A significant structural change occurred after 2014 regarding the allocation of central funds. Previously, the Planning Commission had the power to determine and allocate plan expenditure to states. Following its dissolution, NITI Aayog was established as an advisory think tank without financial powers. Consequently,

the responsibility for allocating and disbursing development funds to states was transferred to the Union Ministry of Finance.

89. (B) It aimed to restore the public sector monopoly while strictly limiting the growth of the private sector.
The Ninth Five Year Plan focused on agricultural growth, rural development, and the empowerment of socially disadvantaged groups. It also prioritized the role of Panchayati Raj institutions in local planning. Contrary to maintaining public sector monopolies, the plan continued the trend of economic liberalisation started in the early 1990s, recognizing the increasing importance of the private sector in achieving national growth.

90. (C) The political instability and the balance of payments crisis made long-term planning difficult.
The period between 1990 and 1992 was marked by significant political changes and a severe economic crisis in India. The foreign exchange reserves had fallen to dangerously low levels, leading to a balance of payments crisis. Because of this uncertainty, the government could not finalize the Eighth Five Year Plan and instead operated through two Annual Plans while implementing structural reforms.

91. (C) 8.0 percent
The Tenth Five Year Plan set an ambitious target of achieving an 8.0 percent average annual growth in GDP. This was the first time such a high growth target was formally adopted. The plan aimed to double the per capita income over the next ten years and significantly reduce poverty through a combination of rapid economic expansion and targeted social sector interventions.

92. (A) Both A and R are true and R is the correct explanation of A.
As India deepens its market reforms, the nature of planning has shifted toward an indicative model. NITI Aayog acts as a facilitator, providing a vision and policy guidelines rather than strict commands. This approach is necessary because a liberalized economy requires the government to create an enabling environment for private players while focusing on strategic sectors and social welfare objectives.

93. (A) P-IV, Q-II, R-III, S-I
Each plan had its own hallmark. The Second Plan expanded heavy industries. The Fourth Plan saw the nationalization of fourteen major banks to improve financial reach. The Sixth Plan introduced rural development schemes like TRYSEM. The Eighth Plan was the first to emphasize human development as its core objective, reflecting a shift in planning philosophy following the major economic reforms of 1991.

94. (B) Faster and more inclusive growth
The Eleventh Five Year Plan's central theme was faster and more inclusive growth. It aimed to increase the growth rate while ensuring that its benefits were shared by all, particularly the poor and marginalized. This period saw a significant emphasis on expanding education and healthcare services, aiming for a broad-based improvement in the standard of living and reducing regional and social disparities.

95. (A) I, II and III only
The modified Gadgil formula uses specific criteria for distributing central assistance, including a state's population and its per capita income relative to the national average. It also rewards fiscal performance and tax effort. While it considers specific developmental challenges, it does not use geographical area as a primary component for the standard allocation of plan funds to the non-special category states.

96. (C) Rolling Plan - A plan that provides for annual revision of targets and durations continuously.
In economic planning, imperative planning involves direct central commands, while indicative planning uses broad goals and incentives. A Plan Holiday is a gap between Five Year Plans. A Rolling Plan specifically refers to a system where a plan is continuously updated by adding a new year as each current year ends, though the term 'durations' in the definition can be misleading.

97. (A) II, III, I, IV
Before 2014, formulating a Five Year Plan was a multi-stage process. First, the Planning Commission prepared a Draft Approach Paper. This was then reviewed and approved by the Union Cabinet. Subsequently, the National Development Council, including Chief Ministers,

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gave final approval. Finally, the document was presented to Parliament for discussion, ensuring a comprehensive review before the plan was officially implemented nationwide.

98. (C) The Plan/Non-Plan distinction was removed, merging planning with the general budgeting process.
With the transition from the Planning Commission to NITI Aayog, a major structural change in public finance occurred. The traditional distinction between 'Plan' and 'Non-Plan' expenditure was abolished. This reform merged development planning more closely with the general budgeting process, simplifying the financial management system and allowing for a more holistic view of government spending and resource allocation across all sectors.

99. (B) The Chief Executive Officer (CEO) is directly elected by the Chief Ministers of all states.
NITI Aayog is chaired by the Prime Minister and includes Regional Councils for specific cross-state issues. The Vice-Chairperson holds a rank equivalent to a Cabinet Minister and handles strategic direction. However, the CEO is an official of the rank of Secretary to the Government of India, appointed directly by the Prime Minister for a fixed tenure, rather than being elected by Chief Ministers.

100. (D) To rapidly transform under-developed districts and bring them at par with the best-performing areas.
The ultimate goal of the Aspirational Districts Programme is to eliminate regional disparities. By focusing on districts that have historically lagged behind, NITI Aayog aims to bring them up to the level of the nation's best-performing districts. This is achieved through a combination of focused governance, better resource utilization, and a competitive spirit that drives localized improvements in health, education, and infrastructure.

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CHAPTER 03

Sources of Revenue and Union Budget

1. What is the precise definition of 'Revenue Receipts' in the context of the Union Budget?
(A) Receipts that either create a liability or cause a reduction in the assets of the government
(B) Funds raised exclusively through market borrowings and external loans
(C) Income generated solely through the strategic disinvestment of Public Sector Undertakings
(D) Receipts that neither create a liability nor cause any reduction in the assets of the government
(E) Answer not known

2. Which Article of the Indian Constitution mandates the presentation of the 'Annual Financial Statement' to the Parliament?
(A) Article 110
(B) Article 114
(C) Article 112
(D) Article 266
(E) Answer not known

3. Consider the following statements regarding Direct Taxes in India:
I. The incidence and impact of the tax fall on the same person.
II. Corporate Tax is an example of a direct tax.
III. They are generally regressive in nature and disproportionately affect the poor.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

4. Identify the correct statement regarding the Goods and Services Tax (GST) implemented in India.
(A) It is a direct tax levied on the net annual income of individuals and large corporations.
(B) It is an origin-based tax collected at the specific point of manufacturing within states.
(C) It replaced the basic customs duty entirely for all imported goods and services globally.
(D) It is a destination-based indirect tax that consolidated various previous domestic levies.
(E) Answer not known

5. Which of the following is an INCORRECT statement regarding Capital Receipts?
(A) Tax revenues and dividends from public sector undertakings form the bulk of capital receipts.
(B) They include market borrowings by the government from the public.
(C) They are non-recurring in nature and create a future repayment obligation or reduce assets.
(D) Recovery of loans previously granted by the Central Government to States is a capital receipt.
(E) Answer not known

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6. The following question consists of two statements: an Assertion (A) and a Reason (R).
Assertion (A): Customs duty is levied on goods imported into and exported out of India.
Reason (R): It acts as a critical instrument of trade policy to protect domestic industries from cheap foreign imports.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

7. Match the following Deficit concepts in List I with their corresponding formulas in List II:
List I: (Deficit Concepts)

P. Fiscal Deficit
Q. Revenue Deficit
R. Primary Deficit
S. Effective Revenue Deficit

List II: (Formulas)
I. Total Expenditure minus Total Receipts excluding borrowings
II. Revenue Expenditure minus Revenue Receipts
III. Fiscal Deficit minus Interest Payments
IV. Revenue Deficit minus Grants for creation of capital assets

(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-I, Q-III, R-II, S-IV
(D) P-III, Q-II, R-I, S-IV
(E) Answer not known

8. All of the following are classified as Non-Tax Revenue for the Union Government, EXCEPT:
(A) Interest received on loans given to State Governments
(B) Dividends and profits from Public Sector Undertakings
(C) Fees and fines collected by administrative departments
(D) Income tax collected from salaried individuals
(E) Answer not known

9. If the Union Government decides to heavily rely on 'Deficit Financing' through the monetisation of debt (printing new currency), what is the most likely macroeconomic application or outcome?
(A) Substantial appreciation of the domestic currency
(B) Generation of high inflationary pressure in the economy
(C) Significant reduction in the general price levels of essential commodities
(D) Immediate reduction of the country's external debt burden
(E) Answer not known

10. Consider the following statements about 'Disinvestment' in India:
I. It refers to the liquidation or sale of government equity in Public Sector Undertakings.
II. Strategic disinvestment involves the transfer of management control to a private entity.
III. The proceeds generated from disinvestment are classified as Revenue Receipts.
IV. The Department of Investment and Public Asset Management (DIPAM) oversees this process.

Which of the above statement(s) is/are correct?
(A) I, II and IV
(B) II, III and IV
(C) I and II
(D) III and IV
(E) Answer not known

11. How are the proceeds from the National Small Savings Fund (NSSF) classified in the Government accounts?
(A) Revenue Receipts in the Consolidated Fund of India
(B) Capital Receipts in the Contingency Fund of India
(C) Non-Tax Revenue in the Consolidated Fund of India
(D) Receipts in the Public Account of India
(E) Answer not known

12. Identify the correctly matched pair regarding the Constitutional provisions for financial administration:
(A) Article 266(2) - Public Account of India
(B) Article 266(1) - Contingency Fund of India
(C) Article 267 - Consolidated Fund of India
(D) Article 114 - Finance Bill
(E) Answer not known

13. Arrange the following stages of the Union Budget enactment in the correct chronological sequence:
1. Passing of the Appropriation Bill
2. Presentation of the Budget in Parliament
3. Scrutiny by Departmentally Related Standing Committees
4. Passing of the Finance Bill
5. General Discussion

(A) 2, 5, 3, 1, 4
(B) 2, 3, 5, 4, 1
(C) 5, 2, 3, 1, 4
(D) 2, 5, 1, 3, 4
(E) Answer not known

14. Which of the following sequences represents the correct descending order of magnitude (from

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largest to smallest value) typically observed in the Union Budget of India in recent years?
(A) Primary Deficit > Revenue Deficit > Fiscal Deficit
(B) Fiscal Deficit > Revenue Deficit > Primary Deficit
(C) Revenue Deficit > Fiscal Deficit > Primary Deficit
(D) Fiscal Deficit > Primary Deficit > Revenue Deficit
(E) Answer not known

15. Consider the following types of government expenditure:
I. Interest payments on previously accumulated national debt
II. Salaries and pensions of central government employees
III. Routine maintenance of government buildings
IV. Loans given by the Centre to State Governments
V. Capital investment for the construction of national highways
Which of the above are classified strictly as 'Revenue Expenditure'?
(A) I, II, III and IV
(B) II, III, IV and V
(C) I, II and III
(D) III, IV and V
(E) Answer not known

16. The following question consists of two statements: an Assertion (A) and a Reason (R).
Assertion (A): The historical distinction between 'Plan' and 'Non-Plan' expenditure was abolished in the Union Budget starting from the financial year 2017-18.
Reason (R): The distinction led to a fragmented view of resource allocation, and its abolition aimed to provide a holistic view emphasizing the revenue and capital classification.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

17. Match the following subsidy components/ reforms in List I with their associated terms in List II:
List I: (Subsidy Components/Reforms)
P. Food Subsidy
Q. Fertiliser Subsidy
R. Petroleum Subsidy
S. Subsidy Delivery Reform
List II: (Associated Terms)
I. Direct Benefit Transfer (DBT) for LPG
II. Nutrient Based Subsidy (NBS)
III. Food Corporation of India (FCI)
IV. JAM Trinity
(A) P-III, Q-II, R-I, S-IV
(B) P-IV, Q-I, R-II, S-III
(C) P-III, Q-I, R-IV, S-II
(D) P-II, Q-III, R-I, S-IV
(E) Answer not known

18. Which of the following statements best defines the concept of 'Zero Based Budgeting' (ZBB)?
(A) A budgeting system where total revenue exactly equals total expenditure, resulting in a zero fiscal deficit.
(B) A fiscal policy tool aiming to reduce indirect taxes to zero for essential commodities.
(C) A process where every department must justify its entire budget request from scratch for each new period, without using the previous year's baseline.
(D) A strategy to entirely eliminate the national debt over a specified medium-term framework.
(E) Answer not known

19. In which year was the presentation of the Union Budget officially advanced to February 1, breaking the colonial-era tradition of presenting it on the last working day of February?
(A) 2014
(B) 2015
(C) 2017
(D) 2019
(E) Answer not known

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20. Identify the INCORRECTLY matched pair of Tax and its Classification:
(A) Corporate Tax - Direct Tax
(B) Wealth Tax - Direct Tax
(C) Customs Duty - Indirect Tax
(D) Income Tax - Indirect Tax

(E) Answer not known

21. Identify the correct statement regarding the taxation reforms introduced in India in 2019 concerning Corporate Tax.
(A) The corporate tax rate was lowered for domestic firms to encourage investment.
(B) The base corporate tax rate was substantially increased to boost revenue for various social welfare schemes.
(C) The government completely abolished the Minimum Alternate Tax (MAT) for all existing foreign companies.
(D) The reform mandated that corporate tax proceeds be entirely transferred into the Public Account of India.
(E) Answer not known

22. Which of the following is an INCORRECT statement regarding 'Revenue Expenditure' of the Union Government?
(A) It neither creates physical or financial assets nor reduces any liability.
(B) Interest payments on internal and external debt constitute a major portion of this expenditure.
(C) Expenditure on defense equipment that creates durable assets is strictly classified as revenue expenditure.
(D) Subsidies provided for food and fertilizers fall under the category of revenue expenditure.
(E) Answer not known

23. Consider the following statements regarding the 'Consolidated Fund of India':
I. All revenues received by the Government by way of taxes are credited to this fund.
II. No money can be withdrawn from this fund without Parliamentary approval.
III. It is constituted under Article 267 of the Indian Constitution.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

24. The following question consists of two statements: an Assertion (A) and a Reason (R).
Assertion (A): The Union Government provides substantial food subsidies through the targeted Public Distribution System.
Reason (R): Subsidies are classified under capital expenditure as they build long-term human capital assets.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

25. Match the following Budget documents in List I with their primary purpose in List II:
List I: (Budget Documents)
P. Annual Financial Statement
Q. Finance Bill
R. Appropriation Bill
S. Medium Term Fiscal Policy Statement
List II: (Primary Purpose)
I. Provides a three-year rolling target for fiscal indicators
II. Authorises the withdrawal of funds from the Consolidated Fund
III. Outlines the estimated receipts and expenditure for the year
IV. Contains proposals for the levy of new taxes or modification of existing ones
(A) P-III, Q-IV, R-II, S-I
(B) P-IV, Q-III, R-I, S-II
(C) P-III, Q-II, R-IV, S-I
(D) P-II, Q-IV, R-III, S-I
(E) Answer not known

26. All of the following expenditures are generally 'Charged' on the Consolidated Fund of India (non-votable), EXCEPT:
(A) Emoluments and allowances of the President of India
(B) Salaries and allowances of the Judges of the Supreme Court
(C) Salaries of the Union Cabinet Ministers
(D) Debt charges for which the Government of India is liable
(E) Answer not known

27. In applying the concept of 'Effective Revenue Deficit' to evaluate the fiscal health of the Union Government, which specific component

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is deducted from the conventional Revenue Deficit?
(A) Capital expenditure incurred on defense modernization
(B) Subsidies distributed through the Direct Benefit Transfer mechanism
(C) Interest payments made towards servicing historical external debt
(D) Grants-in-aid given to States for the creation of capital assets
(E) Answer not known

28. Consider the following statements about 'Vote on Account':
I. It is passed to draw money from the Consolidated Fund to meet short-term expenditure until the full budget is passed.
II. It is generally granted for two months for an amount equivalent to one-sixth of the total estimated expenditure.
III. It outlines detailed taxation proposals and changes in the income tax slabs.
IV. It cannot be passed during a general election year.
Which of the above statement(s) is/are INCORRECT?
(A) I, II and III
(B) II, III and IV
(C) I and II
(D) III and IV
(E) Answer not known

29. Identify the correctly matched pair regarding the categories of National Debt:
(A) Internal Debt - Multilateral borrowings from the World Bank
(B) Internal Debt - Treasury Bills issued to the Reserve Bank of India
(C) External Debt - Market loans raised through Government Securities
(D) External Debt - Provident fund deposits of citizens
(E) Answer not known

30. Arrange the following steps of implementing the JAM Trinity for subsidy reform in their logical sequence:
1. Transferring the subsidy amount directly to the beneficiary's account
2. Opening a basic savings bank deposit account under PMJDY
3. Linking the bank account with the mobile number for alerts
4. Seeding the bank account with the Aadhaar number for de-duplication
(A) 2, 4, 3, 1
(B) 2, 3, 4, 1
(C) 4, 2, 3, 1
(D) 1, 2, 4, 3
(E) Answer not known

31. Which of the following sequences represents the correct hierarchy of legal authorisation required for the Union Budget to be enacted?
(A) Introduction of Annual Financial Statement, Passing of Appropriation Bill, Passing of Finance Bill
(B) Passing of Finance Bill, Passing of Appropriation Bill, Introduction of Annual Financial Statement
(C) Introduction of Annual Financial Statement, Passing of Finance Bill, Passing of Appropriation Bill
(D) Passing of Appropriation Bill, Introduction of Annual Financial Statement, Passing of Finance Bill
(E) Answer not known

32. Which of the following clearly distinguishes an 'Interim Budget' from a 'Vote on Account'?
(A) An Interim Budget only seeks expenditure approval, whereas a Vote on Account deals with both income and spending.
(B) A Vote on Account is presented by the Finance Commission, whereas an Interim Budget is presented by the NITI Aayog.
(C) An Interim Budget includes projected receipts and spending, while a Vote on Account only seeks approval for essential spending.
(D) An Interim Budget requires the approval of the President only, while a Vote on Account requires full parliamentary debate.
(E) Answer not known

33. Consider the following instruments:
I. Special Drawing Rights (SDR) allocations
II. External Commercial Borrowings (ECBs)
III. National Savings Certificates (NSC)
IV. Bilateral loans from foreign governments
V. Multilateral loans from the Asian Development Bank

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Which of the above instruments are NOT part of India's 'External Debt'?
(A) I, II, III and IV
(B) II, III, IV and V
(C) I, II and IV
(D) III only
(E) Answer not known

34. The following question consists of two statements: an Assertion (A) and a Reason (R).
Assertion (A): The Primary Deficit is always greater than the Fiscal Deficit in the Union Budget of India.
Reason (R): Primary Deficit is calculated by subtracting interest payments from the Fiscal Deficit.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

35. Match the following Constitutional Articles in List I with their subject matter in List II:
List I: (Constitutional Articles)
P. Article 112
Q. Article 114
R. Article 266
S. Article 267
List II: (Subject Matter)
I. Contingency Fund of India
II. Consolidated Fund of India
III. Appropriation Bill
IV. Annual Financial Statement
(A) P-IV, Q-III, R-II, S-I
(B) P-III, Q-IV, R-I, S-II
(C) P-IV, Q-II, R-III, S-I
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

36. What is the precise definition of a 'Tax' in the context of government revenue?
(A) A voluntary contribution made by citizens to fund local infrastructure projects through community participation.
(B) A penalty imposed by the government for violating civil and criminal laws during the course of business.
(C) A specific fee charged by the government for granting a license or a permit for professional activities.
(D) A compulsory unrequited payment to the government without any expectation of direct benefit.
(E) Answer not known

37. Which of the following taxes is levied by the Union Government but the proceeds are wholly distributed among the States, as historically conceptualised before the GST era?
(A) Taxes on railway fares and freights
(B) Corporate Tax
(C) Minimum Alternate Tax
(D) Securities Transaction Tax
(E) Answer not known

38. Identify the INCORRECTLY matched pair regarding direct tax slabs and structures:
(A) Income Tax - Progressive taxation framework
(B) Corporate Tax - Levied on net income or profit of companies
(C) Wealth Tax - Currently the highest revenue generator among direct taxes in India
(D) Surcharge - An additional charge on the tax computed on income
(E) Answer not known

39. Identify the correct statement regarding 'Gender Budgeting' in India.
(A) It is a fiscal tool used to assess budget impacts on gender and ensure resources address inequalities.
(B) It involves creating a separate, distinct budget document exclusively for women presented by the Ministry of Women and Child Development.
(C) It refers to the process of allocating exactly 50% of the total budget to schemes benefiting women and girl children.
(D) It was introduced for the first time in India during the Union Budget of 2021-22 following global best practices.
(E) Answer not known

40. Which of the following is an INCORRECT statement regarding the 'Contingency Fund of India'?
(A) It is established under Article 267 of the Constitution.

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(B) It is placed at the disposal of the President of India.
(C) It is used to meet unforeseen expenditures pending authorization by Parliament.
(D) It receives all the regular tax revenues and market borrowing proceeds of the government.
(E) Answer not known

41. Consider the following statements regarding the Union Budget:
I. The term 'Budget' is explicitly mentioned in Article 112 of the Constitution.
II. The Finance Minister delivers the Budget Speech in the Lok Sabha.
III. Pre-budget consultations are traditionally held with various stakeholders like industry bodies and trade unions.
Which of the above statement(s) is/are INCORRECT?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

42. The following question consists of two statements: an Assertion (A) and a Reason (R).
Assertion (A): The introduction of the Goods and Services Tax (GST) required a Constitutional Amendment Act.
Reason (R): GST structurally altered the federal taxation powers by creating a mechanism for concurrent taxation by both the Union and the States.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

43. Match the following Types of Budgeting in List I with their core feature in List II:
List I: (Types of Budgeting)
P. Performance Budgeting
Q. Zero-Based Budgeting
R. Outcome Budgeting
S. Gender Budgeting
List II: (Core Feature)
I. Focuses on the end results and deliverables rather than just outlays
II. Analyses the budget's impact on reducing inequalities between men and women
III. Requires justification for every rupee requested from a baseline of zero
IV. Correlates physical outputs with financial inputs
(A) P-IV, Q-III, R-I, S-II
(B) P-I, Q-II, R-III, S-IV
(C) P-III, Q-IV, R-I, S-II
(D) P-IV, Q-I, R-III, S-II
(E) Answer not known

44. All of the following are components of India's fertilizer subsidy reform initiatives, EXCEPT:
(A) Complete deregulation and immediate abolition of all subsidies on Urea
(B) Neem coating of Urea to prevent its diversion for industrial use
(C) Implementation of the Nutrient Based Subsidy (NBS) scheme for non-urea fertilizers
(D) Direct Benefit Transfer (DBT) framework using point-of-sale (PoS) machines at retail shops
(E) Answer not known

45. If the Union Government increases its Capital Expenditure significantly while keeping Revenue Expenditure constant, which of the following is the most likely application in the medium to long term?
(A) Immediate spike in revenue deficit leading to a sovereign default
(B) Enhanced infrastructure creation leading to improved productive capacity and potential economic growth
(C) Total elimination of the primary deficit within the same financial year
(D) Massive contraction in the manufacturing sector due to crowding out effect
(E) Answer not known

46. Consider the following statements about Off-Budget Financing:
I. It refers to expenditure that is not funded directly through the government budget but by parastatal agencies borrowing from the market.
II. It increases the official fiscal deficit figure

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immediately in the year it is incurred.
III. It is often used to bypass the fiscal deficit targets set under the FRBM Act.
IV. It reduces fiscal transparency.
Which of the above statement(s) is/are correct?
(A) I, III and IV
(B) II, III and IV
(C) I and II
(D) III and IV
(E) Answer not known

47. Identify the correctly matched pair regarding the timeline and tradition of the Union Budget:
(A) Halwa Ceremony - Marks the beginning of the printing of budget documents
(B) Economic Survey - Presented one month after the Union Budget
(C) Railway Budget - Separated from the General Budget in 2017
(D) Finance Bill - Must be passed within 30 days of its introduction
(E) Answer not known

48. Arrange the following components in the logical sequence of their application in the 'Outcome Budget' framework:
1. Outlay (Financial resources allocated)
2. Impact (Long-term socio-economic effect)
3. Output (Immediate physical deliverables)
4. Outcome (Short to medium-term results)
(A) 1, 3, 4, 2
(B) 1, 4, 3, 2
(C) 3, 1, 4, 2
(D) 1, 2, 3, 4
(E) Answer not known

49. Which of the following sequences represents the correct progression of subsidy delivery methods historically used in India for LPG?
(A) Universal fixed price > Direct Benefit Transfer (PAHAL) > Capped number of subsidized cylinders
(B) Universal fixed price > Capped number of subsidized cylinders > Direct Benefit Transfer (PAHAL)
(C) Direct Benefit Transfer (PAHAL) > Universal fixed price > Capped number of subsidized cylinders
(D) Capped number of subsidized cylinders > Universal fixed price > Direct Benefit Transfer (PAHAL)
(E) Answer not known

50. How is the 'Recovery of Loans' previously granted by the Union Government to State Governments classified in the Annual Financial Statement?
(A) Revenue Receipt
(B) Capital Receipt (Debt creating)
(C) Capital Receipt (Non-debt creating)
(D) Revenue Expenditure
(E) Answer not known

51. Consider the following taxes/duties:
I. Basic Customs Duty
II. Integrated Goods and Services Tax (IGST)
III. Minimum Alternate Tax (MAT)
IV. Capital Gains Tax
V. State Excise on Liquor
Which of the above statement(s) are exclusively collected as 'Indirect Taxes' by the Union Government?
(A) I, II, III and IV
(B) II, III, IV and V
(C) I and II only
(D) III, IV and V
(E) Answer not known

52. The following question consists of two statements: an Assertion (A) and a Reason (R).
Assertion (A): The Fiscal Responsibility and Budget Management (FRBM) Act originally mandated the complete elimination of the Revenue Deficit.
Reason (R): Revenue deficit implies that the government is borrowing to finance its day-to-day consumption, which is financially unsustainable.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

53. Match the following elements of the JAM Trinity in List I with their primary role in subsidy reform in List II:
List I: (Elements of JAM Trinity)
P. Jan Dhan Yojana
Q. Aadhaar

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R. Mobile
S. Direct Benefit Transfer

List II: (Primary Role)

I. Provides a unique biometric identifier to eliminate ghost beneficiaries
II. Facilitates digital alerts, authentication, and financial inclusion outreach
III. Ensures universal access to basic banking facilities
IV. The overarching mechanism of sending subsidies directly to bank accounts

(A) P-III, Q-I, R-II, S-IV
(B) P-I, Q-II, R-III, S-IV
(C) P-III, Q-II, R-I, S-IV
(D) P-II, Q-III, R-IV, S-I
(E) Answer not known

54. What is the precise definition of 'Budget Deficit' as historically used in India before 1997?
(A) The difference between revenue expenditure and revenue receipts.
(B) The total internal and external borrowing of the government in a financial year.
(C) The difference between all receipts and all expenditures, met by issuing ad-hoc treasury bills to the RBI.
(D) The shortfall in capital receipts compared to capital expenditure targets.
(E) Answer not known

55. In the context of India's tax administration, what does the acronym 'DAP' stand for, which is heavily subsidized by the government?
(A) Di-ammonium Phosphate
(B) Direct Assessment Procedure
(C) Domestic Assessment Protocol
(D) Direct Agriculture Payment
(E) Answer not known

56. Identify the INCORRECTLY matched pair regarding specific funds and their custodians:
(A) Consolidated Fund of India - Parliament
(B) Contingency Fund of India - President (operated by Finance Secretary)
(C) National Small Savings Fund - Public Account of India
(D) Public Account of India - Comptroller and Auditor General
(E) Answer not known

57. Identify the correct statement regarding 'Strategic Disinvestment'.
(A) It involves selling up to 49% of government equity while retaining management control of the specific entity.
(B) It involves the sale of a substantial government stake along with the transfer of management control.
(C) It is synonymous with the nationalisation of private sector banks to ensure greater financial inclusivity.
(D) It restricts foreign direct investment in public sector enterprises to protect domestic industrial interests.
(E) Answer not known

58. Which of the following is an INCORRECT statement regarding the Finance Bill?
(A) It is introduced to give effect to the financial proposals of the Government for the following year.
(B) It is a Money Bill as defined under Article 110 of the Constitution.
(C) The Rajya Sabha can amend or reject the Finance Bill at its discretion.
(D) It is generally introduced in the Lok Sabha immediately after the presentation of the Budget.
(E) Answer not known

59. Consider the following statements regarding the 'Public Account of India':

I. It includes provident fund deposits and savings bank deposits.
II. Parliamentary authorization is required for payments from this account.
III. The government acts merely as a banker or trustee for the funds in this account.

Which of the above statement(s) is/are correct?
(A) I and III
(B) II and III
(C) I only
(D) III only
(E) Answer not known

60. The following question consists of two statements: an Assertion (A) and a Reason (R).
Assertion (A): The Union Budget provides separate estimates for Revenue Budget and Capital Budget.
Reason (R): Article 112 of the Constitution

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mandates that the budget shall distinguish expenditure on revenue account from other expenditures.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

61. Match the following terms from the Medium Term Fiscal Policy (MTFP) Statement in List I with their context in List II:
List I: (Terms from MTFP Statement)
P. Rolling Targets
Q. Fiscal Indicators
R. Macroeconomic Framework
S. FRBM Act
List II: (Context)
I. Assesses the prospects of the economy based on GDP growth and inflation
II. Legislation mandating the presentation of the MTFP statement
III. Three-year projections for specific fiscal parameters
IV. Metrics like Fiscal Deficit and Revenue Deficit as a percentage of GDP
(A) P-III, Q-IV, R-I, S-II
(B) P-IV, Q-III, R-II, S-I
(C) P-III, Q-I, R-IV, S-II
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

62. All of the following are typically characteristics or mechanisms of 'External Commercial Borrowings' (ECBs) in India, EXCEPT:
(A) They are commercial loans raised by eligible resident entities from recognised non-resident entities.
(B) They are primarily raised by the Union Government to directly finance its fiscal deficit.
(C) They are subject to parameters like minimum maturity and permitted end-use set by the RBI.
(D) They are considered part of India's external debt.
(E) Answer not known

63. If the government significantly increases the Minimum Support Price (MSP) for wheat and paddy without raising the issue price at rationalised fair price shops, what will be the most direct consequence on the Union Budget?
(A) Substantial expansion of the Food Subsidy bill
(B) Increase in the corporate tax collection
(C) Decrease in the Effective Revenue Deficit
(D) Automatic reduction in external commercial borrowings
(E) Answer not known

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64. Consider the following statements about 'Grants for creation of capital assets':
I. They are given by the Central Government to State Governments and local bodies.
II. Although they create physical assets, they are classified as Revenue Expenditure in the Union Budget.
III. They are subtracted from the Revenue Deficit to calculate the Effective Revenue Deficit.
IV. They are strictly classified as Capital Receipts by the State Governments.
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) II, III and IV
(C) I and II
(D) III and IV
(E) Answer not known

65. Identify the correctly matched pair regarding the constitutional terms and their popular usage:
(A) Annual Financial Statement - Vote on Account
(B) Money Bill - Appropriation Bill only
(C) Contingency advance - Public Account
(D) Statement of estimated receipts and expenditure - Union Budget
(E) Answer not known

66. Arrange the following sources of 'Revenue Receipts' for the Union Government in the typically observed descending order of their contribution (largest to smallest) in recent budgets:
1. Goods and Services Tax (GST)
2. Customs Duties
3. Corporation Tax
4. Non-Tax Revenue

(A) 1, 3, 4, 2
(B) 3, 1, 2, 4
(C) 1, 3, 2, 4
(D) 3, 1, 4, 2
(E) Answer not known

67. Which of the following sequences best represents the flow of funds in a typical 'Direct Benefit Transfer' (DBT) model for LPG subsidies?
(A) Citizen buys at market price > Government transfers subsidy to OMCs > OMCs transfer to citizen
(B) Citizen buys at subsidized price > Government compensates OMCs directly
(C) Citizen buys at market price > Government transfers subsidy directly to citizen's Aadhaar-seeded bank account
(D) Citizen gets free cylinder > Government issues bonds to OMCs
(E) Answer not known

68. How is the 'Dividend' received by the Central Government from the Reserve Bank of India (RBI) classified in the Union Budget?
(A) Capital Receipt
(B) Direct Tax Revenue
(C) Recovery of Loans
(D) Non-Tax Revenue
(E) Answer not known

69. Consider the following policy measures:
I. Rationalising and targeting subsidies using the JAM trinity
II. Increasing capital expenditure on infrastructure projects
III. Broadening the tax base to increase direct tax collections
IV. Disinvesting loss-making Public Sector Undertakings
V. Monetising the fiscal deficit through the central bank
Which of the above statement(s) are generally recommended to achieve long-term 'Fiscal Consolidation'?
(A) I, II, III and IV
(B) II, III, IV and V
(C) I, II and III
(D) III, IV and V
(E) Answer not known

70. The following question consists of two statements: an Assertion (A) and a Reason (R).
Assertion (A): The Union Government merged the Railway Budget with the General Budget in 2017.
Reason (R): The Railway Budget constituted over 70% of the total general budget, necessitating a unified approach.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

71. Match the following types of external borrowings in List I with their characteristic in List II:
List I: (Types of External Borrowings)
P. Multilateral Borrowing
Q. Bilateral Borrowing
R. External Commercial Borrowing
S. Sovereign Bond
List II: (Characteristic)
I. Loan directly from another country's government (e.g., Japan/JICA)
II. Loan from international institutions like the World Bank
III. Debt instrument issued by the government in foreign currency
IV. Commercial loan raised by corporations from non-resident entities
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-IV, R-I, S-III
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

72. What is the precise definition of 'Fiscal Deficit' as used in the Indian budgetary framework?
(A) The total amount of short-term internal borrowing required to meet current expenditure on daily administration.
(B) The total outstanding national debt accumulated since independence from various domestic and foreign sources.
(C) The gap between the revenue expenditure and the capital receipts including all recoveries of previous loans.
(D) The difference between total expenditure and total receipts excluding borrowing.

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(E) Answer not known

73. Under the National Food Security Act (NFSA), which organization acts as the primary nodal agency for the procurement, storage, and bulk distribution of food grains to facilitate the food subsidy program?
(A) NITI Aayog
(B) Food Corporation of India (FCI)
(C) National Bank for Agriculture and Rural Development (NABARD)
(D) Commission for Agricultural Costs and Prices (CACP)
(E) Answer not known

74. Identify the INCORRECTLY matched pair regarding the specific sub-components of the Union Budget:
(A) Revenue Budget - Statement of tax and non-tax revenues
(B) Capital Budget - Statement of market borrowings and disinvestment
(C) Revenue Budget - Expenditure on creation of long-term assets
(D) Capital Budget - Loans and advances granted by the Centre to States
(E) Answer not known

75. Identify the correct statement regarding 'State Budgets' in the context of Indian fiscal federalism.
(A) States are entirely prohibited from raising their own non-tax revenues.
(B) Central transfers to States consist exclusively of discretionary grants, bypassing the Finance Commission.
(C) States do not present an Annual Financial Statement in their respective legislatures.
(D) The borrowing limits of the State Governments are strictly regulated by the Central Government under Article 293 if they have outstanding central loans.
(E) Answer not known

76. Which of the following is an INCORRECT statement regarding 'Appropriation Bill'?
(A) Amendments can be proposed in either House of Parliament to vary the amount of any grant included in the bill.
(B) It authorizes the government to withdraw funds from the Consolidated Fund of India.
(C) It incorporates all the demands for grants voted by the Lok Sabha.
(D) The government cannot legally withdraw money for voted expenditure until this bill is enacted.
(E) Answer not known

77. Consider the following statements about the components of 'National Debt':
I. Internal debt is owed to lenders within the country, including banks and financial institutions.
II. External debt forms the absolute majority (over 90%) of India's total national debt.
III. Small savings deposits and provident funds are liabilities of the government.
Which of the above statement(s) is/are INCORRECT?
(A) I and III
(B) II and III
(C) I only
(D) II only
(E) Answer not known

78. The following question consists of two statements: an Assertion (A) and a Reason (R).
Assertion (A): The government introduced 'Performance Budgeting' to shift the focus from merely tracking expenditure to assessing actual deliverables.
Reason (R): Traditional budgeting often highlights how much money was spent without adequately measuring the physical outcomes achieved.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

79. Match the following tax concepts in List I with their key feature in List II:
List I: (Tax Concepts)
P. Progressive Tax
Q. Regressive Tax
R. Proportional Tax
S. Value Added Tax
List II: (Key Feature)
I. The tax rate increases as the taxable amount

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increases
II. The tax rate is constant regardless of the income level
III. The tax burden falls more heavily on lower-income groups
IV. A multi-stage tax collected at every step of value addition
(A) P-I, Q-III, R-II, S-IV
(B) P-III, Q-I, R-IV, S-II
(C) P-I, Q-II, R-III, S-IV
(D) P-II, Q-III, R-I, S-IV
(E) Answer not known

80. All of the following are valid reasons for a government to pursue 'Disinvestment', EXCEPT:
(A) To raise resources for financing social sector schemes and infrastructure
(B) To improve the efficiency and corporate governance of public enterprises
(C) To permanently eliminate the need for any future indirect taxes in the economy
(D) To reduce the financial burden on the government from loss-making units
(E) Answer not known

81. In the context of State Budgets, if Tamil Nadu consistently relies on 'Ways and Means Advances' (WMA) from the Reserve Bank of India, what does this conceptually indicate about the state's fiscal situation?
(A) The state has achieved a massive revenue surplus through efficient tax collection and spending.
(B) The state is defaulting on its long-term external commercial borrowings from international bodies.
(C) The state's tax base has completely eroded due to a shift in economic activity to other regions.
(D) The state is using short-term credit to bridge temporary receipt-payment mismatches.
(E) Answer not known

82. Consider the following statements about the 'GST Compensation' mechanism provided to States like Tamil Nadu:
I. It was designed to compensate States for any loss of revenue arising out of the implementation of GST.
II. The compensation was initially guaranteed for a period of 5 years from the rollout of GST.
III. The compensation fund is generated through an additional income tax surcharge on super-rich individuals.
IV. The benchmark growth rate assumed for calculating the revenue shortfall was 14% per annum.
Which of the above statement(s) is/are INCORRECT?
(A) I, II and IV
(B) I, III and IV
(C) I and II
(D) III only
(E) Answer not known

83. Identify the correctly matched pair regarding deficit concepts and their primary indicators:
(A) Primary Deficit - Indicates the long-term asset creation capacity
(B) Fiscal Deficit - Indicates the total borrowing requirement of the government
(C) Revenue Deficit - Indicates the gap between capital receipts and capital expenditure
(D) Monetised Deficit - Indicates the borrowings from commercial banks
(E) Answer not known

84. Arrange the following government debt instruments in the correct order of their maturity period (from shortest to longest):
1. Cash Management Bills
2. 91-Day Treasury Bills
3. 364-Day Treasury Bills
4. 10-Year Government Dated Securities
(A) 1, 2, 3, 4
(B) 2, 1, 3, 4
(C) 1, 3, 2, 4
(D) 2, 3, 1, 4
(E) Answer not known

85. Which of the following sequences represents the correct administrative workflow for preparing the Union Budget?
1. Issue of circular by Ministry of Finance
2. Estimation by Ministries
3. Final consolidation by Budget Division
4. Approval by Cabinet
(A) Issue of circular by Ministry of Finance > Estimation by Ministries > Final consolidation by Budget Division > Approval by Cabinet

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(B) Estimation by Ministries > Issue of circular by Ministry of Finance > Approval by Cabinet > Final consolidation by Budget Division
(C) Approval by Cabinet > Estimation by Ministries > Final consolidation by Budget Division > Issue of circular by Ministry of Finance
(D) Final consolidation by Budget Division > Issue of circular by Ministry of Finance > Estimation by Ministries > Approval by Cabinet
(E) Answer not known

86. How is the 'Sovereign Gold Bond Scheme' receipt classified in the financial statements of the Union Government?
(A) Tax Revenue
(B) Non-Tax Revenue
(C) Internal Debt under Capital Receipts
(D) Off-budget borrowing
(E) Answer not known

87. Consider the following components of the 'Revenue Receipts' of the Union Government:
I. Income Tax
II. Goods and Services Tax
III. Customs Duty
IV. Spectrum Auction Receipts
V. External Commercial Borrowings
Which of the above statement(s) are NOT part of the Tax Revenue?
(A) I, II, III and IV
(B) II, III, IV and V
(C) I, II and III
(D) IV and V
(E) Answer not known

88. The following question consists of two statements: an Assertion (A) and a Reason (R).
Assertion (A): High and persistent fiscal deficits can lead to a 'crowding out' effect in the economy.
Reason (R): Excessive government borrowing absorbs a large portion of available market funds, thereby raising interest rates and reducing private sector investment.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

89. Match the following institutional bodies/ mechanisms in List I with their primary role in Indian Public Finance in List II:
List I: (Institutional Bodies/Mechanisms)
P. Finance Commission
Q. GST Council
R. Public Accounts Committee (PAC)
S. NITI Aayog
List II: (Primary Role)
I. Recommends the distribution of net tax proceeds between the Union and States
II. Makes recommendations on GST rates, exemptions, and thresholds
III. Examines the audit reports of the CAG on government appropriation accounts
IV. Functions as a premier policy think tank guiding long-term developmental planning
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

90. What is the precise definition of 'Surcharge' as levied by the Union Government?
(A) A tax levied on a specific sector exclusively for the creation of capital assets through infrastructure bonds.
(B) A penalty collected for the late filing of income tax returns by corporations and high-net-worth individuals.
(C) An extra fee calculated as a percentage of the actual tax owed, typically for higher income groups.
(D) A dedicated tax whose proceeds must be shared mandatorily with the State Governments for welfare programs.
(E) Answer not known

91. Which of the following constitutional provisions empowers the Union Government to levy an income tax (excluding agricultural income)?
(A) Entry 46 of the State List (List II) in the Seventh Schedule
(B) Article 280 of the Constitution
(C) Article 266 of the Constitution
(D) Entry 82 of the Union List (List I) in the

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Seventh Schedule
(E) Answer not known

92. Identify the INCORRECTLY matched pair regarding types of taxes and their incidence base:
(A) Corporate Tax - Levied on the turnover of unorganized retail vendors
(B) Excise Duty - Levied on the manufacturing or production of goods (historically)
(C) Customs Duty - Levied on the import and export of goods across borders
(D) Capital Gains Tax - Levied on the profit from the sale of assets or investments
(E) Answer not known

93. Identify the correct statement regarding the 'Fiscal Responsibility and Budget Management (FRBM) Act, 2003'.
(A) It permanently prevents the Central Government from borrowing from the Reserve Bank of India under any circumstances.
(B) It mandates the Central Government to present three macro-fiscal statements in Parliament along with the Annual Budget.
(C) It applies exclusively to the fiscal deficit of the State Governments, excluding the Centre.
(D) It was repealed in 2017 to allow unlimited capital expenditure for infrastructure.
(E) Answer not known

94. Which of the following is an INCORRECT statement regarding the 'Dividend' paid by Central Public Sector Enterprises (CPSEs)?
(A) It acts as a significant source of non-tax revenue for the Union Government.
(B) All dividends received are directly credited to the Contingency Fund of India to handle national emergencies.
(C) The government mandates guidelines on minimum dividend payout ratios for profit-making CPSEs.
(D) The amount of dividend depends on the net profit and the capital investment needs of the enterprise.
(E) Answer not known

95. All of the following expenditures are considered 'Subsidies' in the Union Budget, EXCEPT:
(A) Capital infusion into public sector banks to meet regulatory capital requirements
(B) The difference between the economic cost of food grains and their issue price through the PDS
(C) Concessions provided to manufacturers on the sale of complex fertilizers
(D) Direct cash transfers provided to eligible farmers under the PM-KISAN scheme
(E) Answer not known

96. What is the exact definition of 'Off-Budget Borrowing'?
(A) Borrowing undertaken by the Union Government directly from the World Bank for off-grid power projects across rural sectors.
(B) Funds raised by State Governments without the mandatory permission of the Central Government during a fiscal emergency.
(C) Loans taken by state entities to fund government plans, not counted in the current official fiscal deficit.
(D) Unplanned expenditures that exceed the budgetary estimates and are later approved through a supplementary budget by Parliament.
(E) Answer not known

97. Which document, required by the FRBM Act, assesses the current economic trends, GDP growth prospects, and the revenue receipts trajectory alongside the Budget?
(A) The Output-Outcome Monitoring Framework
(B) The Appropriation Bill
(C) The Contingency Operations Manual
(D) The Macro-Economic Framework Statement
(E) Answer not known

98. Identify the correct statement concerning the structural framework of 'State Budgets' in India.
(A) States must surrender all surplus revenue to the Consolidated Fund of India at the end of the financial year.
(B) States are permitted to print local currency if their fiscal deficit crosses 5% of their GSDP.
(C) State Budgets derive a significant portion of their total receipts from the devolution of central taxes as recommended by the

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Finance Commission.

(D) The Governor is personally responsible for formulating the state budget without the Council of Ministers' involvement.

(E) Answer not known

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99. Which of the following is an INCORRECT statement regarding the 'Tax-to-GDP ratio'?

(A) It represents the size of a country's tax kitty relative to its overall economic output.

(B) India historically features one of the highest tax-to-GDP ratios globally, exceeding 40%.

(C) A higher tax-to-GDP ratio generally indicates a wider tax base and better tax compliance.

(D) Direct and indirect taxes both contribute to determining the overall tax-to-GDP ratio.

(E) Answer not known

100. All of the following are components of the 'Non-Debt Creating Capital Receipts' in the Union Budget, EXCEPT:

(A) Proceeds from the strategic sale of Air India

(B) Recovery of loans given to the State Government of Tamil Nadu

(C) Proceeds from the Initial Public Offering (IPO) of the Life Insurance Corporation of India (LIC)

(D) Funds raised through the issuance of Sovereign Gold Bonds

(E) Answer not known

ANSWERS

1. (D) Receipts that neither create a liability nor cause any reduction in the assets of the government
Revenue receipts are government collections that do not impact its liability or asset status. These include tax revenues like income and corporate taxes, and non-tax revenues like interest, dividends, and fees. Unlike capital receipts, which involve borrowing or selling assets, revenue receipts are recurring and represent the regular income stream needed to fund day-to-day administrative operations and public services.

2. (C) Article 112
Article 112 of the Indian Constitution requires the President to present the Annual Financial Statement to Parliament for every financial year. This document outlines the estimated receipts and expenditures of the Union Government. It is popularly known as the Union Budget and must distinguish between expenditure on revenue account and other expenditures to ensure fiscal transparency and legislative control over public finances.

3. (A) I and II
Direct taxes are characterized by the fact that the liability to pay and the ultimate economic burden fall on the same individual or entity. Personal income tax and corporate tax are primary examples. Unlike indirect taxes, which can be regressive, direct taxes in India follow a progressive structure, meaning higher income earners pay a larger percentage of their earnings as tax.

4. (D) It is a destination-based indirect tax that consolidated various previous domestic levies.
The Goods and Services Tax is a comprehensive, multi-stage, destination-based indirect tax. It consolidated numerous central and state levies, such as excise duty, service tax, and value-added tax, into a unified system. By taxing value addition at each stage while providing input tax credits, it aims to eliminate the cascading effect of taxes and create a common national market for goods.

5. (A) Tax revenues and dividends from public sector undertakings form the bulk of capital receipts.
Capital receipts are government inflows that either create a financial liability or cause a reduction in assets. Key components include market borrowings, recovery of loans, and proceeds from disinvestment. Tax revenues and dividends from public sector undertakings are actually classified as revenue receipts because they do not impact the government's debt levels or asset holdings, representing regular, non-repayable income.

6. (A) Both A and R are true and R is the correct explanation of A.
Customs duty is a tax levied on goods during international trade, specifically imports and exports. Beyond generating revenue, it serves as a vital instrument of trade policy. By adjusting duty rates, the government can regulate the inflow of foreign goods, protecting domestic manufacturers from unfair competition or cheap imports while ensuring the availability of essential raw materials within the domestic economy.

7. (A) P-I, Q-II, R-III, S-IV
Fiscal deficit measures total borrowing requirements, while revenue deficit reflects the shortfall in regular income relative to recurring expenses. Primary deficit highlights current fiscal health by excluding interest payments on past debts. Effective revenue deficit refines the revenue deficit by excluding grants used for capital asset creation, providing a more accurate picture of consumption-led borrowing versus investment-oriented spending by the government.

8. (D) Income tax collected from salaried individuals
Non-tax revenue encompasses government income derived from sources other than taxation. This includes interest on loans provided to states, dividends from public sector enterprises, and administrative fees or fines. Income tax, however, is a direct tax levied on the earnings of individuals and is a major component of the

government's tax revenue, specifically within the revenue receipts category of the budget.

9. (B) Generation of high inflationary pressure in the economy
Deficit financing through debt monetisation involves the central bank printing new currency to fund government spending. While this provides immediate liquidity, it increases the total money supply in the economy. When the growth in money supply outpaces the production of goods and services, it typically leads to high inflationary pressure, reducing the purchasing power of the domestic currency and consumers.

10. (A) I, II and IV
Disinvestment refers to the government selling its stake in public sector undertakings to mobilize resources. Strategic disinvestment is a specific type where the government transfers management control to a private buyer. These proceeds are classified as capital receipts, specifically non-debt creating, because they reduce government assets. The process is managed by the Department of Investment and Public Asset Management under the Finance Ministry.

11. (D) Receipts in the Public Account of India
The National Small Savings Fund comprises collections from schemes like Post Office savings and National Savings Certificates. These funds are credited to the Public Account of India rather than the Consolidated Fund because the government acts as a banker or trustee for the depositors. Consequently, the government has a liability to repay these amounts with interest to the public upon maturity.

12. (A) Article 266(2) - Public Account of India
Article 266 of the Constitution establishes both the Consolidated Fund of India and the Public Account of India. Specifically, Article 266(2) defines the Public Account, which holds money that does not belong to the government, such as provident funds and small savings. Unlike the Consolidated Fund, expenditures from the Public Account generally do not require prior parliamentary approval or an appropriation bill.

13. (A) 2, 5, 3, 1, 4
The budget process begins with its presentation, followed by a general discussion in both Houses. Subsequently, departmentally related standing committees scrutinize the demands for grants. After this detailed review, the Lok Sabha votes on the demands, leading to the passing of the Appropriation Bill for expenditure. Finally, the Finance Bill is passed to authorize the legal collection of proposed taxes and revenues.

14. (B) Fiscal Deficit > Revenue Deficit > Primary Deficit
In the Indian context, the fiscal deficit is the largest as it represents the total borrowing requirement. The revenue deficit is typically smaller, reflecting the gap in the revenue account. The primary deficit is usually the smallest value among the three because it is derived by subtracting interest payments from the fiscal deficit, highlighting the government's current year's fiscal imbalance excluding debt servicing.

15. (C) I, II and III
Revenue expenditure consists of government spending that does not result in asset creation or liability reduction. Interest payments on national debt, salaries, pensions of employees, and maintenance of existing infrastructure are classic examples. In contrast, loans provided to states and capital investments in highways are capital expenditures, as they either create financial assets for the center or produce durable physical assets.

16. (A) Both A and R are true and R is the correct explanation of A.
The removal of the Plan and Non-Plan distinction in 2017-18 aimed to simplify the budget structure. Previously, the distinction often led to the neglect of maintenance expenditure, which was labeled Non-Plan. By focusing strictly on the revenue and capital classification, the government now presents a more integrated view of its finances, ensuring that both new projects and existing assets receive balanced attention.

17. (A) P-III, Q-II, R-I, S-IV
Food subsidies are managed through the Food Corporation of India, which handles procurement and distribution. Fertilizers are governed by schemes like Nutrient Based Subsidy. Petroleum subsidies for LPG are delivered via PAHAL, a direct benefit transfer mechanism. These various reforms are integrated through the JAM Trinity—

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Jan Dhan, Aadhaar, and Mobile—to ensure efficient, leak-proof delivery of benefits directly to the intended recipients.

18. (C) A process where every department must justify its entire budget request from scratch for each new period, without using the previous year's baseline.
Zero Based Budgeting is a method where every ministry or department must justify its entire budget requirement for each new financial year. Unlike traditional incremental budgeting, which uses the previous year's allocation as a baseline, this approach starts from zero. It forces administrators to re-evaluate the necessity and efficiency of every program, helping to eliminate obsolete activities and optimize resource allocation.

19. (C) 2017
Starting from 2017, the Union Budget presentation was shifted from the last day of February to February 1. This change allows the legislative process to be completed before the beginning of the new financial year on April 1. Consequently, various departments and ministries receive their allocated funds on time, enabling better planning and execution of projects from the very start of the year.

20. (D) Income Tax - Indirect Tax
Income tax is a primary example of a direct tax, where the individual earning the income bears the responsibility for payment directly to the government. Indirect taxes, such as customs duty and GST, are levied on goods and services, allowing the tax burden to be shifted from the seller to the final consumer. Wealth tax and corporate tax are also direct taxes.

21. (A) The corporate tax rate was lowered for domestic firms to encourage investment.
In 2019, the government introduced significant corporate tax reforms by slashing the base rate for existing domestic companies and offering even lower rates for new manufacturing firms. This move aimed to stimulate private investment, enhance global competitiveness, and attract foreign direct investment. By reducing the tax burden, the government sought to promote industrial growth and job creation across various sectors of the economy.

22. (C) Expenditure on defense equipment that creates durable assets is strictly classified as revenue expenditure.
Revenue expenditure includes recurring costs like interest payments and subsidies that do not create assets. However, spending on defense equipment, such as aircraft or ships, is generally classified as capital expenditure because it results in the acquisition of durable physical assets. While routine defense maintenance and salaries are revenue expenses, the procurement of major equipment is viewed as an investment in national security assets.

23. (A) I and II
The Consolidated Fund of India, established under Article 266, is the primary account for all government revenues, including taxes and loans. No funds can be withdrawn from it without the specific authorization of Parliament through an appropriation bill. Article 267 actually relates to the Contingency Fund, while the Consolidated Fund is the main vessel for the government's financial operations and legislative oversight.

24. (C) A is true but R is false.
The government provides food subsidies to ensure food security for vulnerable populations through the public distribution system. While these subsidies aim to improve welfare, they are classified as revenue expenditure because they are recurring consumption costs that do not create physical or financial assets. The reason is incorrect as subsidies are not capital expenditure, despite their long-term impact on social development and health.

25. (A) P-III, Q-IV, R-II, S-I
The Annual Financial Statement lists estimated receipts and spending. The Finance Bill contains tax proposals, while the Appropriation Bill authorizes withdrawals from the Consolidated Fund. The Medium Term Fiscal Policy Statement, mandated by the FRBM Act, provides a three-year outlook for key fiscal indicators. These documents together ensure comprehensive disclosure, legislative control, and a long-term strategic perspective on the nation's public finances.

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26. (C) Salaries of the Union Cabinet Ministers
Charged expenditures are non-votable and include the emoluments of the President, judges of the Supreme Court, and debt servicing costs. These are protected from annual parliamentary voting to ensure the independence of key constitutional offices. However, the salaries and allowances of Union Cabinet Ministers are not charged; they are subject to the vote of the Lok Sabha as part of the demands for grants.

27. (D) Grants-in-aid given to States for the creation of capital assets
Effective Revenue Deficit is calculated by subtracting grants-in-aid provided to states for the creation of capital assets from the total revenue deficit. This concept recognizes that although such grants are technically revenue expenditure for the central government, they contribute to asset formation at the state level. It provides a more nuanced understanding of the government's true consumption-led borrowing by excluding investment-related transfers.

28. (D) III and IV
A Vote on Account allows the government to meet essential expenditures for a short period, typically two months, until the full budget is enacted. It does not include new taxation proposals or major policy changes. While often used during election years to provide funds to the incoming government, it is a standard parliamentary procedure and can be passed whenever there is a delay in budget approval.

29. (B) Internal Debt - Treasury Bills issued to the Reserve Bank of India
Internal debt refers to the government's liabilities to lenders within the country, including treasury bills and market loans issued in domestic currency. External debt involves borrowings from foreign governments and international financial institutions like the World Bank. Provident funds and small savings are part of other liabilities in the Public Account. Treasury bills held by the RBI represent a significant component of internal debt.

30. (A) 2, 4, 3, 1
The JAM Trinity implementation begins with opening a bank account under the Jan Dhan Yojana. Next, the account is seeded with a unique Aadhaar number to ensure accurate identification and eliminate duplicates. Linking a mobile number then allows for communication and transaction alerts. Finally, the government can transfer subsidy amounts directly to the verified account, ensuring transparent and efficient delivery of social benefits.

31. (A) Introduction of Annual Financial Statement, Passing of Appropriation Bill, Passing of Finance Bill
The budgetary process legally begins with the presentation of the Annual Financial Statement, detailing estimated receipts and expenditures. Subsequently, the Appropriation Bill must be passed to authorize the withdrawal of funds from the Consolidated Fund of India for spending. Finally, the Finance Bill is enacted to provide the legal framework for the collection of taxes and other revenues proposed in the budget speech.

32. (C) An Interim Budget includes projected receipts and spending, while a Vote on Account only seeks approval for essential spending.
An Interim Budget is a full budget presented for a part of the year, usually during an election year, containing both estimated receipts and expenditures. In contrast, a Vote on Account is a specific parliamentary procedure that only seeks approval for essential spending for a limited period to prevent a government shutdown. Unlike the Interim Budget, it typically avoids major policy or tax changes.

33. (D) III only
India's external debt includes liabilities to non-residents, such as multilateral loans from the Asian Development Bank, bilateral loans from foreign governments, and external commercial borrowings. It also encompasses Special Drawing Rights allocations from the IMF. National Savings Certificates, however, are part of the internal liabilities of the government, as they involve domestic borrowings from citizens and are managed within the Public Account.

34. (D) A is false but R is true.
The primary deficit is derived by subtracting interest payments from the fiscal deficit. Therefore, by mathematical definition, the primary deficit will always be smaller than the fiscal deficit, provided interest payments are

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positive. The assertion that the primary deficit is greater is incorrect. This indicator is crucial for understanding the government's current fiscal stance by removing the burden of interest on past borrowings.

35. (A) P-IV, Q-III, R-II, S-I
Article 112 mandates the Annual Financial Statement, while Article 114 deals with the Appropriation Bill for withdrawing funds. Article 266 establishes the Consolidated Fund of India, where all revenues are deposited. Article 267 provides for the Contingency Fund of India to meet unforeseen expenditures. These articles form the legal backbone of India's parliamentary control over public finance and the executive's spending powers.

36. (D) A compulsory unrequited payment to the government without any expectation of direct benefit.
A tax is a compulsory financial charge imposed by the government on individuals or entities. It is unrequited, meaning the taxpayer does not receive a direct, proportional benefit or service in exchange for the payment. The revenue collected from taxes is used to fund various public expenditures, such as infrastructure, healthcare, and national defense, benefiting society as a whole rather than specific individuals.

37. (A) Taxes on railway fares and freights
Historically, under the pre-GST constitutional framework, certain taxes like those on railway fares and freights were levied and collected by the Union but the proceeds were entirely assigned to the States. This mechanism was part of the fiscal federalism design to provide states with revenue streams. Modern tax sharing is largely governed by the recommendations of the Finance Commission regarding the divisible pool.

38. (C) Wealth Tax - Currently the highest revenue generator among direct taxes in India
Wealth tax was a direct tax on the net wealth of individuals, but it was abolished in India in 2015 due to high collection costs and low yields. Currently, corporate tax and personal income tax are the dominant contributors to direct tax revenue. A surcharge is an additional tax on the base tax, while the progressive framework ensures higher earners pay higher rates.

39. (A) It is a fiscal tool used to assess budget impacts on gender and ensure resources address inequalities.
Gender budgeting is a strategic tool used to examine the differential impact of government expenditures and revenues on men and women. It is not a separate budget but a process of integrating a gender perspective into all stages of the budgetary cycle. By highlighting resource allocations for women-specific schemes, it aims to promote gender equality and ensure that public spending addresses gender-based disparities.

40. (D) It receives all the regular tax revenues and market borrowing proceeds of the government.
The Contingency Fund of India, established under Article 267, is intended for unforeseen expenditures and is operated by the Finance Secretary on behalf of the President. It does not receive regular tax revenues or market borrowings; those are credited to the Consolidated Fund. The Contingency Fund has a fixed corpus, which is replenished from the Consolidated Fund after the necessary expenditure is authorized.

41. (C) I only
The term 'Budget' is not explicitly mentioned in the Indian Constitution; instead, Article 112 refers to it as the 'Annual Financial Statement'. The Finance Minister traditionally delivers the speech in the Lok Sabha. Pre-budget consultations are a standard administrative practice to gather input from various economic sectors, ensuring that the final budget document considers the needs of different stakeholders in the economy.

42. (A) Both A and R are true and R is the correct explanation of A.
The implementation of GST required the 101st Constitutional Amendment Act because it fundamentally changed the taxation powers of both the Union and the States. Previously, the power to tax goods and services was largely separate. The amendment enabled concurrent taxation, allowing both levels of government to levy GST on the same supply base, necessitated the creation of the GST Council for cooperative federalism.

43. (A) P-IV, Q-III, R-I, S-II
Performance budgeting links physical targets with financial inputs, while zero-based budgeting

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requires fresh justification for all spending. Outcome budgeting goes further by focusing on the actual results and socio-economic impact of programs. Gender budgeting specifically evaluates how fiscal policies affect gender equity. These diverse approaches aim to enhance transparency, accountability, and the overall efficiency of public resource management across various government departments.

44. (A) Complete deregulation and immediate abolition of all subsidies on Urea
While the government has implemented several reforms like Neem coating of Urea to prevent diversion and the Nutrient Based Subsidy for non-urea fertilizers, Urea remains under price control and is not deregulated. The Direct Benefit Transfer for fertilizers ensures that subsidies are tracked through retail sales. Complete deregulation of Urea is not a current policy, as the government continues to manage its pricing.

45. (B) Enhanced infrastructure creation leading to improved productive capacity and potential economic growth
Significant investment in capital expenditure, such as building roads, bridges, and power plants, enhances the economy's productive capacity. Unlike revenue expenditure, which is consumption-oriented, capital spending creates long-term assets that facilitate business activity and improve efficiency. In the medium to long term, this typically leads to higher GDP growth, better infrastructure, and improved competitiveness, although it might initially increase the fiscal deficit.

46. (A) I, III and IV
Off-budget financing involves borrowing by state-owned agencies to fund government programs, which avoids showing these debts in the official fiscal deficit. While this helps the government technically meet FRBM targets, it reduces fiscal transparency because the true level of sovereign liability is hidden. This practice can lead to a distorted view of the country's fiscal health and long-term debt sustainability concerns.

47. (A) Halwa Ceremony - Marks the beginning of the printing of budget documents
The Halwa Ceremony is a traditional event held in the Finance Ministry to mark the commencement of the printing process for budget documents. It signifies a period of confidentiality for the officials involved. The Economic Survey is typically presented a day before the budget. The Railway Budget was merged with the General Budget in 2017 to provide a more holistic fiscal view.

48. (A) 1, 3, 4, 2
The Outcome Budget framework begins with the 'Outlay', which is the financial allocation. This leads to the 'Output', representing the immediate physical deliverables like kilometers of road built. The 'Outcome' follows, showing the short-term results like reduced travel time. Finally, the 'Impact' captures the long-term socio-economic effects, such as increased regional trade and improved living standards for the local population.

49. (B) Universal fixed price > Capped number of subsidized cylinders > Direct Benefit Transfer (PAHAL)
Historically, LPG was sold at a universal fixed subsidized price for all domestic consumers. Later, the government introduced a cap on the number of subsidized cylinders per year to limit the fiscal burden. Finally, the PAHAL scheme was launched, shifting to a direct benefit transfer model where consumers buy cylinders at market price and the subsidy is credited to their bank accounts.

50. (C) Capital Receipt (Non-debt creating)
When the Union Government recovers loans it previously granted to state governments, it receives cash in exchange for a reduction in its financial assets. This inflow is classified as a capital receipt. Specifically, it is a non-debt creating capital receipt because it does not increase the government's liabilities or involve fresh borrowing, unlike market loans which are debt-creating capital receipts.

51. (C) I and II only
Indirect taxes are those levied on goods and services, where the burden can be shifted to the consumer. Basic customs duty and IGST are prime examples collected by the Union Government. Minimum Alternate Tax and Capital Gains Tax are direct taxes levied on corporate profits and

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investment gains. State excise on liquor is an indirect tax but is collected by state governments.

52. (A) Both A and R are true and R is the correct explanation of A.
The FRBM Act originally aimed to eliminate the revenue deficit, as borrowing for consumption is fiscally unhealthy. Revenue deficit indicates that the government's regular income is insufficient to cover its daily operating costs, forcing it to use borrowed funds for non-asset-building purposes. Eliminating this deficit ensures that borrowings are utilized only for capital investments, which can generate future returns.

53. (A) P-III, Q-I, R-II, S-IV
Jan Dhan Yojana provides universal banking access, while Aadhaar offers a unique biometric ID to prevent leakages and ghost beneficiaries. Mobile connectivity facilitates transaction alerts and digital authentication. Direct Benefit Transfer is the overarching mechanism that uses this infrastructure to send subsidies directly to bank accounts. Together, these elements form a powerful system for improving the efficiency and transparency of social welfare delivery.

54. (C) The difference between all receipts and all expenditures, met by issuing ad-hoc treasury bills to the RBI.
Before 1997, 'Budget Deficit' in India specifically referred to the gap between total receipts and total expenditure that was covered by the issuance of ad-hoc treasury bills to the Reserve Bank of India. This practice essentially meant the automatic monetisation of the deficit. This system was replaced by 'Ways and Means Advances' to give the RBI more control over the money supply.

55. (A) Di-ammonium Phosphate
DAP stands for Di-ammonium Phosphate, which is one of the most widely used phosphatic fertilizers in India. Because it is essential for agricultural productivity, the government provides significant subsidies to manufacturers to keep its market price affordable for farmers. These subsidies are a major component of the Union Budget's revenue expenditure, aimed at supporting food security and rural incomes.

56. (D) Public Account of India - Comptroller and Auditor General
While the Comptroller and Auditor General (CAG) audits all government accounts, it is not the custodian of the Public Account of India. The Public Account is operated by executive action, and the government acts as a banker for these funds, which include provident funds and small savings. The Consolidated Fund is under Parliamentary control, and the Contingency Fund is held by the President.

57. (B) It involves the sale of a substantial government stake along with the transfer of management control.
Strategic disinvestment involves the government selling a significant portion of its shareholding in a public sector enterprise, often 50% or more, along with the transfer of management control to a private entity. This differs from minority stake sales, where the government retains control. The goal is to improve the efficiency, technology, and management of the enterprise through private sector participation and expertise.

58. (C) The Rajya Sabha can amend or reject the Finance Bill at its discretion.
The Finance Bill is a Money Bill under Article 110, which gives the Lok Sabha supreme authority. The Rajya Sabha cannot reject or amend a Money Bill; it can only make recommendations within 14 days, which the Lok Sabha may or may not accept. If the Rajya Sabha does not return the bill within this period, it is deemed to have been passed.

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59. (A) I and III
The Public Account of India holds money that the government receives as a banker or trustee, such as provident fund contributions and small savings. Because these funds do not belong to the government and are eventually repayable to the public, expenditures from this account generally do not require parliamentary authorization. This distinguishes it from the Consolidated Fund, which requires an appropriation bill for withdrawals.

60. (A) Both A and R are true and R is the correct explanation of A.
Article 112 of the Constitution requires the government to distinguish between expenditure

on the revenue account and other types of expenditure. Consequently, the Union Budget is divided into the Revenue Budget and the Capital Budget. This distinction is vital for fiscal analysis, as it allows observers to see how much the government is spending on daily operations versus long-term asset creation.

61. (A) P-III, Q-IV, R-I, S-II
The Medium Term Fiscal Policy Statement is a statutory requirement under the FRBM Act. It provides three-year rolling targets for key fiscal indicators like the fiscal and revenue deficits as a percentage of GDP. The statement also includes a macroeconomic framework that assesses economic prospects based on growth and inflation, ensuring that the budget aligns with a sustainable medium-term fiscal strategy.

62. (B) They are primarily raised by the Union Government to directly finance its fiscal deficit.
External Commercial Borrowings are commercial loans raised by eligible Indian resident entities, such as corporations, from recognized non-resident lenders. They are not primarily used by the Union Government to finance its fiscal deficit. ECBs are regulated by the RBI and are part of the country's total external debt. They allow domestic firms to access international capital markets for investment and expansion.

63. (A) Substantial expansion of the Food Subsidy bill
Food subsidy is the difference between the economic cost of food grains (which includes the MSP paid to farmers and procurement costs) and the issue price at fair price shops. If the government increases the MSP while keeping the issue price constant, the economic cost rises without a corresponding increase in receipts, leading to a larger fiscal burden on the food subsidy.

64. (A) I, II and III
Central grants for capital asset creation are given to states and local bodies. Although they result in physical assets, they are classified as revenue expenditure because they are transfers that do not create assets for the Union Government itself. These grants are deducted from the revenue deficit to calculate the effective revenue deficit, providing a better view of the government's consumption spending.

65. (D) Statement of estimated receipts and expenditure - Union Budget
The term 'Union Budget' is the popular name for the 'Annual Financial Statement' defined in Article 112 as the statement of estimated receipts and expenditure. A Money Bill is a broader category that includes the Appropriation Bill and Finance Bill. The Public Account is separate from contingency advances. The Annual Financial Statement is the primary document presented to Parliament at the start of the budget.

66. (A) 1, 3, 4, 2
In recent Indian budgets, the Goods and Services Tax has emerged as the single largest source of revenue, followed by Corporation Tax. Non-tax revenue, including dividends from the RBI and PSUs, typically follows. Customs duties, while significant, generally contribute a smaller portion compared to the major direct and indirect taxes, reflecting the changing structure of the government's revenue streams.

67. (C) Citizen buys at market price > Government transfers subsidy directly to citizen's Aadhaar-seeded bank account
Under the PAHAL scheme for LPG, the government transitioned from a price-control model to a direct benefit transfer model. Consumers purchase cylinders from distributors at the prevailing market price. The government then calculates the subsidy amount and transfers it directly into the consumer's bank account, which is typically seeded with their Aadhaar number for accurate identification and to prevent leakage.

68. (D) Non-Tax Revenue
The Reserve Bank of India transfers its surplus profit to the Central Government as a dividend. This income is classified as non-tax revenue under the revenue receipts category. It is a vital source of funds that does not involve taxation or the creation of debt. The amount of this transfer depends on the RBI's annual earnings from its domestic and foreign assets and operations.

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69. (A) I, II, III and IV
Fiscal consolidation aims to reduce the government's deficit and debt to sustainable levels. This is achieved by targeting subsidies through the JAM trinity, broadening the tax base to increase revenue, and disinvesting from non-core public enterprises. While increasing capital expenditure might raise short-term deficits, it supports long-term growth and debt sustainability. Debt monetisation, however, is generally avoided as it can cause high inflation.

70. (C) A is true but R is false.
The Union Government merged the Railway Budget with the General Budget in 2017 to create a unified fiscal picture and reduce procedural delays. However, the reason provided is incorrect; the Railway Budget did not constitute 70% of the total budget. In reality, its size was much smaller, but the merger allowed for better resource allocation and holistic planning for the transport sector.

71. (A) P-II, Q-I, R-IV, S-III
Multilateral borrowings come from international institutions like the World Bank, while bilateral loans are from individual countries like Japan. External commercial borrowings are raised by corporations from private foreign lenders. Sovereign bonds are debt instruments issued by the government in international markets. These diverse sources of foreign capital help fund development projects and manage the country's foreign exchange requirements and debt profile.

72. (D) The difference between total expenditure and total receipts excluding borrowing.
Fiscal deficit is the difference between the government's total expenditure and its total non-debt receipts, which include tax revenues, non-tax revenues, and non-debt capital receipts like loan recoveries. It represents the total amount of money the government needs to borrow from all sources during a financial year to cover its spending, serving as a key indicator of overall fiscal health.

73. (B) Food Corporation of India (FCI)
The Food Corporation of India is the central agency responsible for executing the food policy of the government. It procures food grains from farmers at the Minimum Support Price, maintains buffer stocks in its warehouses, and distributes the grains to states for the Public Distribution System. This extensive operation is central to implementing the National Food Security Act and managing food subsidies.

74. (C) Revenue Budget - Expenditure on creation of long-term assets
The Revenue Budget consists of tax and non-tax revenues and expenditures that do not result in asset creation, such as salaries and interest payments. Spending on the creation of long-term physical assets, like infrastructure, is specifically part of the Capital Budget. While some revenue grants might lead to assets at the state level, the direct creation of assets by the center is a capital expenditure.

75. (D) The borrowing limits of the State Governments are strictly regulated by the Central Government under Article 293 if they have outstanding central loans.
Under Article 293 of the Constitution, state governments must obtain the consent of the Central Government to raise any new loans if they have outstanding debt to the Centre. This gives the Union significant control over state borrowing and overall fiscal discipline. States do present their own Annual Financial Statements and have various sources of tax and non-tax revenues for their operations.

76. (A) Amendments can be proposed in either House of Parliament to vary the amount of any grant included in the bill.
The Appropriation Bill is a formal legal instrument that allows the government to withdraw funds from the Consolidated Fund of India for spending. Under the Constitution, no amendments can be proposed to this bill in either House that would change the amount or destination of any grant already voted by the Lok Sabha or the amount of any charged expenditure.

77. (D) II only
In India, internal debt, consisting of market loans and treasury bills, constitutes the vast majority (over 90%) of the total national debt. External debt, which involves borrowings from foreign sources, represents a relatively small fraction of the total sovereign liability. Small savings and provident funds are part of 'other liabilities' in

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the Public Account. Therefore, the statement that external debt is the majority is incorrect.

78. (A) Both A and R are true and R is the correct explanation of A.
Performance budgeting was introduced to shift focus from the traditional emphasis on financial outlays to the achievement of physical results. Standard budgeting often tracks how much money is spent without assessing if the intended objectives were met. By correlating financial inputs with specific performance targets, this approach enhances accountability and ensures that public funds are used more effectively to produce tangible deliverables.

79. (A) P-I, Q-III, R-II, S-IV
Progressive taxes, like income tax, have rates that increase with income. Regressive taxes, such as consumption taxes on essentials, place a higher burden on lower-income individuals. Proportional taxes maintain a constant rate for all. Value Added Tax is a multi-stage levy collected at each point of production where value is added. These different structures reflect various social and economic goals, such as equity and efficiency.

80. (C) To permanently eliminate the need for any future indirect taxes in the economy
Governments pursue disinvestment to raise funds for social infrastructure, improve corporate efficiency through private participation, and reduce the fiscal burden of loss-making enterprises. However, disinvestment is a one-time capital receipt and cannot permanently replace the need for indirect taxes like GST. Tax revenues are recurring and essential for funding the continuous day-to-day administrative and developmental operations of the state.

81. (D) The state is using short-term credit to bridge temporary receipt-payment mismatches.
Ways and Means Advances are short-term credit facilities provided by the Reserve Bank of India to the government to manage temporary gaps between receipts and payments. It is not a long-term borrowing mechanism or an indication of total revenue surplus. Frequent reliance on WMA suggests that the state's cash flow is volatile, requiring immediate liquidity support to meet its daily financial obligations.

82. (D) III only
The GST Compensation to states was designed to cover revenue losses for five years, assuming a 14% annual growth rate in state taxes. The compensation fund is not generated through an income tax surcharge; instead, it is funded by a specific GST Compensation Cess levied on certain luxury and demerit goods, such as tobacco and aerated drinks, to ensure the fiscal interests of states.

83. (B) Fiscal Deficit - Indicates the total borrowing requirement of the government
Fiscal deficit is the most comprehensive measure of the government's fiscal imbalance, representing its total borrowing needs from all sources. Primary deficit shows the deficit excluding interest payments on past debt. Revenue deficit reflects the shortfall in the government's recurring income compared to its daily operating expenses. Monetised deficit specifically refers to the portion of the deficit financed through borrowing from the central bank.

84. (A) 1, 2, 3, 4
Government debt instruments vary by maturity. Cash Management Bills are very short-term, usually less than 91 days. Treasury bills follow with standard maturities of 91 days, 182 days, and 364 days. Dated securities are long-term instruments with maturities typically ranging from 5 to 40 years. This hierarchy of instruments allows the government to manage its cash flow and long-term debt profile efficiently across different time horizons.

85. (A) Issue of circular by Ministry of Finance > Estimation by Ministries > Final consolidation by Budget Division > Approval by Cabinet
The budget preparation process begins with the Ministry of Finance issuing a circular to all departments. Ministries then provide their expenditure estimates. The Budget Division of the Department of Economic Affairs consolidates these figures and negotiates with the various ministries. Finally, the draft budget is presented to the Cabinet for approval before the Finance Minister introduces it in Parliament on the scheduled date.

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86. (C) Internal Debt under Capital Receipts
Sovereign Gold Bonds are government securities denominated in grams of gold. They are issued by the RBI on behalf of the Union Government. The receipts from these bonds are classified as internal debt within the capital receipts category because they represent a borrowing from the domestic public that must be repaid upon maturity, along with the interest and the market value of gold.

87. (D) IV and V
Tax revenue consists of direct and indirect levies like income tax, GST, and customs duties. Non-tax revenues include receipts from spectrum auctions and dividends. External commercial borrowings are debt-creating capital receipts, not revenue receipts. Therefore, spectrum auction proceeds and ECBs do not fall under the tax revenue category. Tax revenue is defined by compulsory payments without a direct benefit, unlike fees or borrowings.

88. (A) Both A and R are true and R is the correct explanation of A.
Crowding out occurs when excessive government borrowing competes for a limited supply of loanable funds in the market. This increased demand for credit tends to drive up interest rates, making it more expensive for the private sector to borrow and invest. Consequently, high fiscal deficits can lead to a reduction in private investment, potentially slowing down long-term economic growth and industrial development.

89. (A) P-I, Q-II, R-III, S-IV
The Finance Commission advises on tax sharing between the center and states. The GST Council makes decisions on tax rates and exemptions under the GST regime. The Public Accounts Committee scrutinizes the audit reports of the CAG to ensure financial accountability. NITI Aayog serves as the government's think tank for long-term planning. These institutions are vital for maintaining fiscal discipline and cooperative federalism.

90. (C) An extra fee calculated as a percentage of the actual tax owed, typically for higher income groups.
A surcharge is an additional tax levied on top of an existing tax. It is calculated as a percentage of the tax payable, rather than on the income itself. In India, surcharges are typically applied to high-income earners and corporations to increase revenue progressively. Unlike basic tax proceeds, surcharges are not mandatorily shared with state governments and are retained entirely by the Union Government.

91. (D) Entry 82 of the Union List (List I) in the Seventh Schedule
The Seventh Schedule of the Indian Constitution divides legislative powers between the Union and the States. Entry 82 of the Union List (List I) specifically empowers the Parliament to levy taxes on income other than agricultural income. Taxes on agricultural income fall under the state's jurisdiction. This clear constitutional division ensures that the central government has the authority to collect personal and corporate income taxes.

92. (A) Corporate Tax - Levied on the turnover of unorganized retail vendors
Corporate tax is a direct tax levied on the net income or profits of incorporated companies, not on the turnover of unorganized retail vendors. Such vendors are often outside the corporate tax net or may be subject to different simplified tax regimes like the presumptive tax for individuals. Excise duty, customs duty, and capital gains tax are correctly matched with their respective bases.

93. (B) It mandates the Central Government to present three macro-fiscal statements in Parliament along with the Annual Budget.
The FRBM Act of 2003 aims to institutionalize fiscal discipline by setting targets for deficit reduction. It requires the government to lay three statements before Parliament along with the budget: the Macro-Economic Framework Statement, the Medium-Term Fiscal Policy Statement, and the Fiscal Policy Strategy Statement. These documents provide transparency regarding the government's fiscal goals and the economic assumptions underlying the budget estimates.

94. (B) All dividends received are directly credited to the Contingency Fund of India to handle national emergencies.
Dividends received from Central Public Sector Enterprises are a significant source of non-tax revenue and are credited to the Consolidated

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Fund of India, not the Contingency Fund. The government issues guidelines to ensure that profit-making CPSEs pay a minimum dividend, balancing the state's revenue needs with the enterprise's requirement for reinvestment. These funds are used for general government expenditure and welfare programs.

95. (A) Capital infusion into public sector banks to meet regulatory capital requirements
Subsidies are financial assistance provided to lower the cost of goods and services like food, fertilizers, and cash transfers like PM-KISAN. Capital infusion into public sector banks is a capital expenditure aimed at strengthening their balance sheets and meeting regulatory requirements. While it supports the banking system, it is not classified as a subsidy because it is an investment in a government-owned asset.

96. (C) Loans taken by state entities to fund government plans, not counted in the current official fiscal deficit.
Off-budget borrowings are loans raised by government-owned entities to fund government expenditure, where the debt is serviced by the government but not reflected in the official budget documents. This practice keeps the reported fiscal deficit lower than the actual borrowing requirement. However, it creates a hidden liability for the state and can lead to concerns about fiscal transparency and the true level of debt.

97. (D) The Macro-Economic Framework Statement
The Macro-Economic Framework Statement is a document mandated by the FRBM Act that provides an assessment of the economy's overall health. it covers growth prospects, inflation, external sector trends, and the fiscal balance. By presenting this analysis alongside the budget, the government ensures that its financial projections are understood within the broader context of national and global economic conditions and trends.

98. (C) State Budgets derive a significant portion of their total receipts from the devolution of central taxes as recommended by the Finance Commission.
In India's fiscal federalism, state budgets rely heavily on the devolution of central taxes, which is the sharing of the Union's tax pool as recommended by the Finance Commission. Additionally, states receive various grants-in-aid. While states have their own powers to tax sectors like land and liquor, the transfers from the center are crucial for meeting their developmental and administrative expenditure requirements.

99. (B) India historically features one of the highest tax-to-GDP ratios globally, exceeding 40%.
India's tax-to-GDP ratio has historically been relatively low, typically ranging between 10% and 18% for the combined center and states. This is significantly lower than the ratios seen in many developed nations, which can exceed 30% or 40%. A low ratio indicates a narrow tax base and challenges with tax compliance and informal sectors, despite recent efforts to broaden it.

100. (D) Funds raised through the issuance of Sovereign Gold Bonds
Non-debt creating capital receipts include proceeds from disinvestment, such as the sale of Air India or the LIC IPO, and the recovery of loans. These inflows do not increase government liabilities. However, funds raised through Sovereign Gold Bonds are a form of borrowing from the public and are classified as internal debt, which is a debt-creating capital receipt because it must be repaid.

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CHAPTER 04

Fiscal Policy, Deficit Financing and FRBM Act

1. Which of the following best defines the scope of fiscal policy in a developing economy like India?
(A) Using government revenue and expenditure to promote growth and equitable distribution
(B) Managing money supply and interest rates to stabilize inflation and foreign exchange rates
(C) Regulating financial markets and institutions to ensure consistent domestic wealth formation
(D) Determining specific trade quotas to maintain a favorable national balance of payments
(E) Answer not known

2. Select the correct answer from the options given below based on the Assertion (A) and Reason (R) provided.
Assertion (A): An increase in government expenditure without a corresponding increase in taxation is an instrument of expansionary fiscal policy.
Reason (R): Increased government spending directly augments aggregate demand, which helps in stimulating economic growth during a recession.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

3. Consider the following statements regarding the objectives of fiscal policy in India:
I. Minimising income inequalities through progressive taxation.
II. Ensuring optimal allocation of resources between public and private sectors.
III. Eliminating foreign direct investment in core infrastructure sectors.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

4. Match the following elements of Expansionary Fiscal Policy with their expected economic impacts:
List I: (Policy Measure)
P. Reduction in corporate tax rates
Q. Increase in public infrastructure spending
R. Expanding unemployment benefits
S. Providing tax rebates to households
List II: (Economic Impact)
I. Direct immediate increase in disposable income of consumers
II. Long-term capital formation and multiplier effect on employment
III. Incentivises private sector investment and supply-side capacity
IV. Acts as a safety net boosting consumption for marginalized groups
(A) P-III, Q-II, R-IV, S-I
(B) P-II, Q-III, R-I, S-IV
(C) P-III, Q-IV, R-II, S-I
(D) P-I, Q-II, R-III, S-IV
(E) Answer not known

5. Which of the following pairs concerning contractionary fiscal policy measures is correctly matched?
(A) Decreasing public spending - Stimulates aggregate demand in the economy
(B) Increasing direct taxes - Reduces disposable income of households
(C) Expanding deficit financing - Lowers inflationary pressures
(D) Increasing subsidies - Curtails consumer

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purchasing power
(E) Answer not known

6. Which of the following statements accurately describes the mechanism of an automatic stabiliser in an economy?
(A) It requires a legislative amendment to reduce government spending during an economic boom
(B) It involves the central bank automatically raising interest rates when inflation breaches the tolerance band
(C) It cushions economic fluctuations without any deliberate government intervention, such as progressive income taxes
(D) It is a discretionary grant provided by the Finance Commission to states during natural calamities
(E) Answer not known

7. Which of the following sequences represents the correct theoretical order of events when a government initiates a discretionary fiscal stimulus during an economic downturn?
(A) Tax Cuts → Decreased Aggregate Demand → Lower Prices → Economic Contraction
(B) Increased Government Expenditure → Higher Aggregate Demand → Increased Production → Job Creation
(C) Job Creation → Increased Government Expenditure → Higher Aggregate Demand → Increased Production
(D) Increased Production → Increased Government Expenditure → Lower Taxes → Higher Aggregate Demand
(E) Answer not known

8. In the context of fiscal policy and economic growth, what does the "crowding out effect" refer to?
(A) Increased public borrowing driving up interest rates and reducing private investment
(B) Foreign investors dominating equity markets and reducing local retail participation
(C) Higher direct taxes eliminating the profitability of the informal sector economy
(D) Excessive government subsidies leading to the over-consumption of essential goods
(E) Answer not known

9. Consider the following statements regarding the Fiscal Multiplier:
I. It measures the change in national income resulting from a change in government spending.
II. Its value is generally higher in an economy with a high marginal propensity to import.
III. The tax multiplier is typically negative because an increase in taxes reduces disposable income.
IV. A larger marginal propensity to consume results in a larger fiscal multiplier.
Which of the above statement(s) is/are correct?
(A) I, III and IV
(B) II, III and IV
(C) I and II
(D) III and IV
(E) Answer not known

10. According to Keynesian economic theory, which of the following is the most appropriate remedy for a severe economic depression?
(A) Balancing the national budget annually to maintain fiscal discipline
(B) Engaging in deliberate deficit spending to boost aggregate demand
(C) Relying exclusively on monetary policy to lower interest rates to zero
(D) Implementing steep tax hikes to ensure the government avoids debt accumulation
(E) Answer not known

11. Which of the following is a primary focus of supply-side fiscal policy?
(A) Lowering tax rates to incentivize labor supply and capital investment
(B) Increasing government cash transfers to bolster short-term consumption
(C) Implementing universal basic income to stimulate systemic market demand
(D) Expanding public employment to guarantee permanent jobs for all citizens
(E) Answer not known

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12. Select the correct answer from the options given below based on the Assertion (A) and Reason (R) provided.
Assertion (A): During periods of high demand-pull inflation, the government should adopt a contractionary fiscal policy.
Reason (R): Reducing public expenditure and

increasing taxes helps in curtailing aggregate demand, thereby cooling down price levels.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

13. Consider the following statements regarding the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) as a fiscal policy tool:
I. It acts as an expansionary fiscal measure by creating rural demand.
II. It guarantees 100 days of wage employment to every rural household whose adult members volunteer to do unskilled manual work.
III. It functions as an automatic stabiliser during agricultural distress.
IV. The entire funding for MGNREGA is borne exclusively by the State Governments.
V. It helps in rural asset creation, contributing to long-term economic growth.
Which of the above statement(s) is/are correct?
(A) I, II, III and V
(B) I, III, IV and V
(C) I, II and IV
(D) II, IV and V
(E) Answer not known

14. Match the following taxation concepts with their definitions:
List I: (Taxation Concept)
P. Tax Buoyancy
Q. Tax Elasticity
R. Progressive Taxation
S. Regressive Taxation
List II: (Definition)
I. Tax revenue changes adjusting for discretionary changes in tax rates
II. Tax rate increases as the taxable amount increases
III. Responsiveness of tax revenue to GDP growth including policy changes
IV. Tax rate decreases as the taxable amount increases
(A) P-III, Q-I, R-II, S-IV
(B) P-I, Q-III, R-IV, S-II
(C) P-III, Q-II, R-I, S-IV
(D) P-I, Q-IV, R-II, S-III
(E) Answer not known

15. Which of the following pairs concerning India's Tax-to-GDP ratio is incorrectly matched?
(A) Higher Tax-to-GDP ratio - Indicates better tax compliance and formalisation of the economy
(B) India's Tax-to-GDP ratio - Generally higher than that of OECD countries like Sweden and France
(C) Direct taxes - Contribute significantly to the overall tax-to-GDP ratio in India
(D) Low Tax-to-GDP ratio - Constrains the government's ability to spend on social infrastructure
(E) Answer not known

16. What is the fundamental difference between tax buoyancy and tax elasticity?
(A) Buoyancy tracks changes in direct tax collections only, while elasticity tracks indirect taxes
(B) Buoyancy operates independently of GDP shifts, whereas elasticity is fully GDP dependent
(C) Buoyancy is measured exclusively at the state level, whereas elasticity is a central metric
(D) Buoyancy includes discretionary policy changes while elasticity measures only automatic growth
(E) Answer not known

17. Arrange the following major milestones in India's direct tax reforms in chronological order from earliest to most recent:
I. Introduction of the new simplified personal income tax regime without exemptions
II. Implementation of the Faceless Assessment Scheme
III. Introduction of the Minimum Alternate Tax (MAT)
IV. Constituting the Chelliah Committee for tax reforms
(A) IV, III, II, I
(B) IV, III, I, II
(C) III, IV, II, I
(D) IV, I, III, II
(E) Answer not known

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18. Which of the following is NOT an intended benefit of the Faceless Assessment scheme introduced by the Income Tax Department?
(A) Elimination of physical interface between the taxpayer and the income tax authority
(B) Introduction of team-based assessment with dynamic jurisdiction
(C) Allowing taxpayers to negotiate their tax liabilities directly with the local assessing officer
(D) Enhancing transparency and reducing instances of corruption
(E) Answer not known

19. Consider the following statements about 'Tax Expenditure' in India's fiscal system:
I. It refers to the cost incurred by the government in collecting taxes.
II. It represents the revenue foregone by the government due to various tax exemptions and deductions.
III. Reducing tax expenditure generally leads to a lower tax-to-GDP ratio.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) II only
(D) III only
(E) Answer not known

20. According to the Laffer Curve concept in public finance, what is the primary relationship illustrated?
(A) The relationship between unemployment and inflation
(B) The relationship between economic growth and environmental degradation
(C) The relationship between government deficit and the interest rate
(D) The relationship between tax rates and total tax revenue collected
(E) Answer not known

21. Horizontal fiscal imbalance in India primarily arises due to which of the following reasons?
(A) The constitutional assignment of major buoyant taxes to the Centre and major expenditure responsibilities to the States
(B) Differences in the revenue-raising capacity and expenditure needs among various State governments
(C) The borrowing limits imposed on the Central government by the Reserve Bank of India
(D) The disparity between tax rates in the formal and informal sectors of the economy
(E) Answer not known

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22. Select the correct answer from the options given below based on the Assertion (A) and Reason (R) provided.
Assertion (A): The Indian Constitution provides for an institutional mechanism, the Finance Commission, to address vertical fiscal imbalances.
Reason (R): The Finance Commission recommends the distribution of the net proceeds of central taxes between the Union and the States.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

23. Consider the following statements regarding Deficit Financing in India:
I. Historically, deficit financing involved the RBI issuing new currency against ad hoc Treasury Bills.
II. The practice of automatic monetisation of fiscal deficit was completely stopped in 1997.
III. Deficit financing through printing new money generally leads to deflationary pressures.
IV. Borrowing from public and external sources are non-inflationary methods of deficit financing.
Which of the above statement(s) is/are correct?
(A) I, II and IV
(B) I, III and IV
(C) I and II
(D) III and IV
(E) Answer not known

24. Match the following terms related to government borrowing with their corresponding descriptions:
List I: (Borrowing Term)

P. Monetised Deficit
Q. Ways and Means Advances (WMA)
R. Fiscal Deficit
S. Revenue Deficit

List II: (Description)

I. Temporary loan facility provided by the RBI to the government to bridge mismatches in receipts and payments
II. The gap between total government expenditure and non-debt creating receipts
III. The extent to which the RBI finances the government deficit by printing money
IV. The shortfall of current receipts over current expenditure

(A) P-III, Q-I, R-II, S-IV
(B) P-I, Q-III, R-IV, S-II
(C) P-III, Q-II, R-I, S-IV
(D) P-II, Q-I, R-III, S-IV
(E) Answer not known

25. Which of the following pairs concerning the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 is correctly matched?
(A) Original target for Fiscal Deficit - To be maintained above 5% of GDP
(B) Original target for Revenue Deficit - To be completely eliminated by 2008-09
(C) Escape Clause - Allows indefinite suspension of all fiscal targets without justification
(D) N.K. Singh Committee - Recommended abolishing the FRBM Act
(E) Answer not known

26. What was the primary shift in the fiscal framework recommended by the N.K. Singh Committee (2017) regarding the FRBM Act?
(A) Prioritizing the Revenue Deficit target over all other macroeconomic stability measures
(B) Using the Debt-to-GDP ratio as the principal anchor for the fiscal framework
(C) Granting states full autonomy to manage external borrowing and international credit
(D) Proposing the dissolution of the Finance Commission to simplify fiscal transfers
(E) Answer not known

27. Which of the following sequences best represents the conditions under which the "Escape Clause" can be invoked under the FRBM framework, ranked from highest systemic impact to lowest?
(A) War → Collapse of agriculture → Structural reforms → Natural calamity
(B) National security crisis (War) → National calamity → Severe collapse of agriculture → Structural reforms
(C) Structural reforms → Natural calamity → Severe collapse of agriculture → War
(D) Severe collapse of agriculture → Structural reforms → War → National calamity
(E) Answer not known

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28. Which of the following features is the defining characteristic of "Fiscal Consolidation"?
(A) Increasing central bank liquidity through the mechanism of quantitative easing
(B) Integrating all domestic indirect taxes into a unified national tax structure
(C) Adopting policies to reduce government deficits and the total debt stock
(D) Consolidating all non-performing public sector banks with larger institutions
(E) Answer not known

29. Consider the following statements regarding Fiscal Rules globally and in India:

I. The 'Golden Rule' of public finance states that the government should borrow only to invest and not to fund current expenditures.
II. A 'Debt Brake' is a fiscal rule that mandates a balanced budget over the economic cycle.
III. India's FRBM Act is an example of adopting fiscal rules.
IV. Fiscal rules completely eliminate discretionary fiscal policy during a recession.
V. State governments in India are not bound by any fiscal rules.

Which of the above statement(s) is/are correct?
(A) I, II, III and IV
(B) I, II, IV and V
(C) I, II and III
(D) III, IV and V
(E) Answer not known

30. Which of the following is a classic example of an instrument used in Public Debt Management by the Government of India?
(A) Adjusting the statutory liquidity ratio (SLR) to control credit creation
(B) Modifying the personal income tax slabs to increase revenue
(C) Issuing Cash Management Bills to manage short-term liquidity

(D) Utilizing the foreign exchange reserves to stabilize the Rupee
(E) Answer not known

31. From a macroeconomic perspective, what is the most critical implication of a very high Debt-to-GDP ratio for a developing economy?
(A) It triggers an immediate upgrade in sovereign credit rankings by international firms
(B) It increases interest burdens and reduces fiscal room for essential social spending
(C) It provides a permanent mechanism for increasing the nation's per capita income
(D) It creates a deflationary cycle by significantly lowering debt servicing costs
(E) Answer not known

32. Select the correct answer from the options given below based on the Assertion (A) and Reason (R) provided.
Assertion (A): Following the recommendations of the Twelfth Finance Commission, all State Governments in India enacted their own Fiscal Responsibility Legislations.
Reason (R): The Twelfth Finance Commission linked debt relief and debt write-offs for States to the enactment of these fiscal responsibility laws.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

33. Consider the following statements regarding State finances and the Goods and Services Tax (GST) regime in India, with special reference to states like Tamil Nadu:
I. States surrendered significant taxation powers to the GST Council in exchange for assured compensation for revenue shortfall for the first five years.
II. The GST compensation mechanism proved inadequate during the COVID-19 pandemic, leading the Centre to borrow and pass it on as back-to-back loans to States.
III. Manufacturing states like Tamil Nadu experienced massive revenue windfalls immediately upon GST implementation compared to consuming states.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

34. Match the following concepts related to crisis fiscal policy with their definitions:
List I: (Policy Concept)
P. Fiscal Space
Q. Stimulus Package
R. Counter-cyclical policy
S. Pro-cyclical policy
List II: (Definition)
I. Expanding spending during a recession and saving during a boom
II. Reducing spending during a recession to meet rigid deficit targets
III. The room in a government's budget that allows it to provide resources for a desired purpose without jeopardizing debt sustainability
IV. A coordinated effort by the government to boost aggregate demand through tax cuts and increased spending
(A) P-III, Q-IV, R-I, S-II
(B) P-IV, Q-III, R-II, S-I
(C) P-I, Q-II, R-III, S-IV
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

35. Which of the following pairs concerning the components of the Atmanirbhar Bharat package is incorrectly matched?
(A) Monetisation of Deficit - A direct cash transfer scheme for urban industrial workers
(B) Emergency Credit Line Guarantee Scheme (ECLGS) - Targeted at supporting MSMEs during the pandemic
(C) PM Garib Kalyan Yojana - Provided free food grains to vulnerable sections
(D) Production Linked Incentive (PLI) scheme - Aimed to boost domestic manufacturing capabilities
(E) Answer not known

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36. Which of the following can be most logically inferred regarding India's fiscal approach during the COVID-19 pandemic based on the Atmanirbhar Bharat initiative?
(A) The government prioritized massive direct cash handouts over supply-side reform mechanisms
(B) The state strictly maintained its original 3% deficit target despite the economic contraction
(C) Nationalization of the pharmaceutical sector was the primary tool for managing the crisis
(D) The strategy combined structural reforms, credit support, and targeted welfare relief
(E) Answer not known

37. Arrange the following major sectors according to their typical projected share of capital expenditure in India's National Infrastructure Pipeline (NIP), from largest to smallest:
I. Energy
II. Roads
III. Urban Infrastructure
IV. Railways
(A) I, II, III, IV
(B) II, I, IV, III
(C) I, II, IV, III
(D) II, IV, I, III
(E) Answer not known

38. What is the primary advantage of adopting a counter-cyclical fiscal policy compared to a pro-cyclical one?
(A) It triggers faster market corrections by exacerbating existing economic fluctuations
(B) It ensures the fiscal deficit is maintained at a perfectly constant level annually
(C) It smooths the business cycle by cooling overheated economies and boosting weak ones
(D) It relies solely on automatic stabilisers without the need for active policy changes
(E) Answer not known

39. Consider the following statements regarding the GST Council's role in fiscal policy coordination:
I. It is a constitutional body established under Article 279A.
II. It makes recommendations to the Union and States on GST rates, exemptions, and thresholds.
III. The vote of the Central Government has a weightage of one-third of the total votes cast.
IV. Every decision of the Council must be passed by a simple majority of 50%.
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) II, III and IV
(C) I and IV
(D) II and III
(E) Answer not known

40. In the context of public expenditure management in India, what is the primary purpose of an "Outcome Budget"?
(A) Tracking physical outputs and outcomes alongside financial outlays for government schemes
(B) Summarizing the final tax revenue collected by the government at the end of the year
(C) Providing the constitutional basis for borrowing from various external global agencies
(D) Presenting the annual budgetary requirements of the individual states to the Centre
(E) Answer not known

41. The Public Financial Management System (PFMS) administered by the Government of India is primarily designed to facilitate which of the following?
(A) Managing the strategic allocation of the nation's foreign exchange reserves
(B) Real-time tracking of funds for central schemes and direct benefit transfers
(C) Collecting corporate income taxes directly from registered commercial entities
(D) Issuing sovereign gold bonds to diversify the domestic investment landscape
(E) Answer not known

42. Select the correct answer from the options given below based on the Assertion (A) and Reason (R) provided.
Assertion (A): Fiscal transparency is a critical component of sound public expenditure management.
Reason (R): It involves moving off-budget borrowings into the regular budget to present an

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accurate picture of the government's liabilities.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

43. Consider the following statements regarding the fiscal position of Tamil Nadu in recent years:
I. Tamil Nadu has consistently remained a revenue surplus state since the enactment of its Fiscal Responsibility Act in 2003.
II. The state's debt-to-GSDP ratio has seen an upward trend partly due to the assumption of state discom debt (UDAY scheme) and pandemic impacts.
III. Tamil Nadu's own tax revenue as a percentage of Total Revenue Receipts is among the highest for Indian states.
IV. The Tamil Nadu Fiscal Responsibility Act mandates the elimination of revenue deficit.
V. The state heavily relies on Grants-in-Aid from the Centre to meet its day-to-day administrative expenses.
Which of the above statement(s) is/are correct?
(A) I, II, III and IV
(B) II, III, IV and V
(C) II, III and IV
(D) I, IV and V
(E) Answer not known

44. Match the following institutions/committees with their primary role in Indian fiscal federalism:
List I: (Institution/Committee)
P. Finance Commission
Q. GST Council
R. NITI Aayog
S. Public Accounts Committee
List II: (Primary Role)
I. Determining the distribution of net proceeds of taxes between Union and States
II. Scrutinizing the appropriation accounts and the audit reports of the CAG
III. Recommending rates, cesses, and surcharges related to indirect taxes
IV. Fostering cooperative federalism through structured support initiatives
(A) P-I, Q-III, R-IV, S-II
(B) P-III, Q-I, R-II, S-IV
(C) P-I, Q-IV, R-III, S-II
(D) P-II, Q-III, R-IV, S-I
(E) Answer not known

45. Which of the following pairs is correctly matched regarding the significance of sound fiscal policy?
(A) Inter-generational equity - Funding current consumption entirely through long-term debt
(B) Resource allocation - Increasing subsidies on fossil fuels to promote green energy
(C) Inclusive growth - Lowering taxes on luxury goods while taxing basic necessities
(D) Macroeconomic stability - Sustainable debt levels used to prevent inflationary shocks
(E) Answer not known

46. Which specific aspect distinguishes fiscal policy from monetary policy in managing a nation's economy?
(A) Monetary policy is managed by the government treasury, while fiscal policy is handled by the central bank
(B) Fiscal policy is primarily used to manage foreign exchange rates, whereas monetary policy manages domestic inflation
(C) Changing tax rates and spending versus adjusting interest rates and money supply
(D) Monetary policy requires legislative approval for every change, whereas fiscal policy does not
(E) Answer not known

47. Which of the following sequences correctly depicts the "Debt Trap" cycle caused by persistent deficit financing?
(A) High Fiscal Deficit → Increased Borrowing → Higher Interest Payments → Higher Revenue Deficit → Higher Fiscal Deficit
(B) High Revenue Deficit → Lower Borrowing → Reduced Interest Payments → Fiscal Surplus
(C) Increased Borrowing → Higher Capital Expenditure → Increased Economic Growth → Lower Fiscal Deficit
(D) High Fiscal Deficit → Lower Interest Rates → Reduced Inflation → Fiscal Consolidation
(E) Answer not known

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48. In the context of resource allocation, which of the following government actions is the clearest example of using fiscal policy to address a negative externality?
(A) Subsidizing primary education for marginalized communities
(B) Providing tax holidays for establishing Special Economic Zones (SEZs)
(C) Decreasing the corporate tax rate for all manufacturing units uniformly
(D) Applying higher excise duties or carbon taxes to polluting industrial units
(E) Answer not known

49. Consider the following statements regarding contractionary fiscal policy:
I. It is typically implemented when the economy is growing too rapidly and faces high inflation.
II. It involves reducing public expenditure and/or increasing taxes.
III. It results in a larger fiscal deficit.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

50. Which of the following statements about discretionary fiscal policy is incorrect?
(A) It requires deliberate action by policymakers to change spending or tax laws
(B) Its implementation can suffer from inside lags (decision-making delays) and outside lags (impact delays)
(C) It operates automatically without any new legislation whenever the economy enters a recession
(D) It can be influenced by political cycles, especially near general elections
(E) Answer not known

51. Which of the following best defines "Public Borrowing" as an instrument of fiscal policy?
(A) Raising government funds from various sources to bridge the revenue-expenditure gap
(B) The mechanism by which the central bank prints new currency to finance the deficit
(C) The process of private corporations raising funds from international capital markets
(D) Compulsory deduction of a portion of citizens' income for social security schemes
(E) Answer not known

52. Select the correct answer from the options given below based on the Assertion (A) and Reason (R) provided.
Assertion (A): Progressive taxation is considered an effective tool for achieving the equity objective of fiscal policy.
Reason (R): It imposes a proportionately higher tax burden on higher-income groups, facilitating wealth redistribution.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

53. Consider the following elements:
I. Income tax brackets that push citizens into higher rates as their income grows
II. Unemployment allowance payments that rise during an economic downturn
III. The announcement of a new highway construction project to create jobs
IV. Welfare schemes where eligibility automatically expands when poverty levels rise
Which of the above statement(s) is/are examples of automatic stabilisers?
(A) I, II and IV
(B) I, III and IV
(C) I and II
(D) II and III
(E) Answer not known

54. Match the following aspects of fiscal policy with their primary outcomes:
List I: (Aspect)
P. Discretionary Fiscal Policy
Q. Automatic Stabiliser
R. Fiscal Drag
S. Fiscal Consolidation
List II: (Outcome)
I. Reduction of national debt over time
II. Immediate deliberate stimulus package during a pandemic

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III. Slowing down of an economy due to progressive taxation and inflation
IV. Unemployment benefits providing a cushion during a recession
(A) P-II, Q-IV, R-III, S-I
(B) P-IV, Q-II, R-I, S-III
(C) P-II, Q-III, R-IV, S-I
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

55. Which of the following pairs linking fiscal policy to growth is correctly matched?
(A) Capital expenditure - Spending on salaries and pensions that boosts immediate demand
(B) Revenue expenditure - Creation of physical assets like bridges and ports
(C) Fiscal drag - Tax cuts intended to stimulate small businesses
(D) Crowding in effect - Infrastructure investment that encourages private participation
(E) Answer not known

56. What does the term "magnitude of the fiscal multiplier" imply for policy-makers during an economic slowdown?
(A) A higher magnitude means a smaller stimulus is needed to boost national income
(B) A lower magnitude means the stimulus will be highly effective in generating jobs
(C) The magnitude is irrelevant because fiscal stimulus always generates equal inflation
(D) A higher magnitude implies that tax cuts are more effective than direct spending
(E) Answer not known

57. Arrange the following steps to demonstrate the mechanism of demand-pull inflation induced by fiscal policy:
I. Aggregate demand exceeds the economy's productive capacity
II. Implementation of expansionary fiscal policy
III. Increase in the general price level of goods and services
IV. Increase in disposable income and consumer spending
(A) II, IV, I, III
(B) II, I, IV, III
(C) IV, II, I, III
(D) I, II, III, IV
(E) Answer not known

58. Under Keynesian fiscal policy, which measure is prescribed when private investment fails to absorb private savings during a depression?
(A) The government must reduce its deficit to zero to restore business confidence
(B) Government borrowing of idle savings to invest in public works projects
(C) The central bank must raise interest rates to reward those who are saving
(D) The government should increase direct taxes to reduce the excess savings
(E) Answer not known

59. Consider the following statements regarding Supply-Side Economics:
I. It advocates for reducing corporate and income taxes.
II. It assumes deregulation stimulates business expansion and long-run growth.
III. It argues that increasing aggregate demand through government transfers is the best way to grow the economy.
IV. It is historically associated with the Laffer Curve.
V. It focuses on improving the efficiency and productivity of the economy.
Which of the above statement(s) is/are correct?
(A) I, II, IV and V
(B) I, II, III and V
(C) I, II and IV
(D) II, IV and V
(E) Answer not known

60. How does a tight fiscal policy assist in combating inflation?
(A) By increasing public expenditure to produce more goods and services directly
(B) By lowering interest rates to make borrowing cheaper for producers
(C) Reducing spending and purchasing power to curtail aggregate demand
(D) By expanding subsidies to lower the cost of production artificially
(E) Answer not known

61. MGNREGA creates employment in rural areas. What is its secondary fiscal objective?
(A) To generate revenue for the central government through registration fees

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(B) To facilitate direct foreign investment in rural infrastructure
(C) To replace agricultural subsidies completely
(D) To act as an engine for demand creation and rural asset building
(E) Answer not known

62. Select the correct answer from the options given below based on the Assertion (A) and Reason (R) provided.
Assertion (A): Social spending on health and education is considered a vital instrument for achieving equity through fiscal policy.
Reason (R): It enhances the human capital of marginalized sections, thereby providing equal economic opportunities in the long run.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

63. Consider the following statements regarding the Tax-to-GDP ratio in India:
I. A low tax-to-GDP ratio indicates a narrow tax base and high levels of informal economic activity.
II. Agriculture income is fully taxed at the central level, significantly contributing to the direct tax-to-GDP ratio.
III. Improving the tax-to-GDP ratio reduces the government's reliance on borrowing to fund infrastructure.
Which of the above statement(s) is/are correct?
(A) I and III
(B) II and III
(C) I and II
(D) I only
(E) Answer not known

64. Match the following tax reforms/concepts with their descriptions:
List I: (Tax Concept)
P. New Income Tax Regime
Q. Direct Tax Vivad se Vishwas Act
R. Minimum Alternate Tax (MAT)
S. Tax Deduction at Source (TDS)
List II: (Description)
I. Ensuring companies paying zero tax due to exemptions pay a minimum amount
II. Mechanism to collect tax at the very source of income generation
III. Scheme for the resolution of pending direct tax disputes
IV. Lower tax rates applied conditionally upon foregoing certain deductions and exemptions
(A) P-IV, Q-III, R-I, S-II
(B) P-III, Q-IV, R-II, S-I
(C) P-IV, Q-II, R-I, S-III
(D) P-I, Q-III, R-IV, S-II
(E) Answer not known

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65. Which of the following pairs is incorrectly matched regarding tax elasticity and buoyancy?
(A) Discretionary changes - Included in the calculation of Tax Elasticity
(B) Tax Elasticity - Revenue growth due strictly to GDP growth (excluding policy changes)
(C) Tax Buoyancy - Greater than 1 implies revenue grows faster than GDP
(D) Policy changes - Included in the calculation of Tax Buoyancy
(E) Answer not known

66. The Faceless Assessment scheme under direct tax reforms heavily relies on which of the following technological concepts?
(A) Cryptocurrencies and blockchain ledgers
(B) Quantum computing for secure tax data storage
(C) Artificial Intelligence and automated case allocation systems
(D) Virtual Reality for remote taxpayer interviews
(E) Answer not known

67. Which of the following represents the correct sequence in the lifecycle of a typical direct tax assessment prior to the introduction of faceless assessment?
(A) Filing of Return → Scrutiny Selection → Physical hearing with jurisdictional AO → Final Assessment Order
(B) Filing of Return → Final Assessment Order → Physical hearing with jurisdictional AO → Scrutiny Selection
(C) Scrutiny Selection → Filing of Return → Final Assessment Order → Physical hearing with jurisdictional AO

(D) Physical hearing → Scrutiny Selection → Filing of Return → Final Assessment Order
(E) Answer not known

68. What is the fundamental fiscal issue with high "Tax Expenditure" (revenue foregone) in India?
(A) It drastically increases the inflation rate directly
(B) It artificially inflates the Tax-to-GDP ratio
(C) It prevents the government from borrowing internationally
(D) It limits resource mobilization by narrowing the effective tax base
(E) Answer not known

69. Consider the following statements regarding the Laffer Curve and tax policy:
I. It suggests that at a 100% tax rate, government tax revenue will be zero.
II. It implies there is an optimal tax rate that maximizes government revenue.
III. It proves that cutting taxes will always lead to an increase in total tax revenue.
IV. The concept was highly influential in shaping supply-side economic policies.
Which of the above statement(s) is/are correct?
(A) I, II and IV
(B) II, III and IV
(C) I and III
(D) I, II and III
(E) Answer not known

70. In the context of Fiscal Federalism in India, which constitutional provision specifically addresses the sharing of taxes between the Centre and the States?
(A) The Articles ranging from 268 to 293
(B) The Articles ranging from 12 to 35
(C) The Articles ranging from 352 to 360
(D) Article 368
(E) Answer not known

71. Which of the following is a primary mechanism used in India to address the "horizontal fiscal imbalance" among States?
(A) Implementation of a uniform Goods and Services Tax (GST) across all states
(B) Privatization of state-owned enterprises
(C) Allocation of specific borrowing limits by the Reserve Bank of India based on state GDP
(D) Finance Commission formulas using criteria like income distance
(E) Answer not known

72. Select the correct answer from the options given below based on the Assertion (A) and Reason (R) provided.
Assertion (A): The Centre enjoys revenue dominance in India's fiscal federal structure.
Reason (R): Most buoyant taxes like Corporate Tax, Income Tax, and Customs Duty are exclusively levied and collected by the Union Government.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

73. Consider the following statements regarding the ways Deficit Financing is managed in India:
I. Market borrowing through the issue of dated securities is the major source of financing the fiscal deficit.
II. Direct monetization of deficit by the RBI is the current standard practice.
III. External borrowing forms a relatively small portion of India's total public debt.
IV. State Provident Funds are categorized under public account liabilities used for financing.
V. High reliance on market borrowing can lead to crowding out of private investment.
Which of the above statement(s) is/are correct?
(A) I, III, IV and V
(B) I, II, III and IV
(C) II, III, IV and V
(D) I, II and V
(E) Answer not known

74. Match the following terms regarding central bank and government interactions with their features:
List I: (Mechanism)
P. Ways and Means Advances (WMA)
Q. Open Market Operations (OMO)
R. Monetisation of Deficit
S. Overdraft facility
List II: (Feature)
I. RBI purchasing government securities

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directly from the primary market to fund the deficit
II. Short-term limit provided by RBI for bridging temporary mismatches in government receipts
III. Availing funds beyond the WMA limit, usually permitted for a very short duration
IV. RBI buying or selling government securities in the secondary market to manage liquidity
(A) P-II, Q-IV, R-I, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-III, Q-I, R-IV, S-II
(D) P-II, Q-III, R-I, S-IV
(E) Answer not known

75. Which of the following pairs concerning the Fiscal Responsibility and Budget Management (FRBM) Act is correctly matched?
(A) Fiscal Deficit target - To limit total borrowing requirement of the government
(B) Revenue Deficit target - To ensure government only borrows for revenue expenditure
(C) Effective Revenue Deficit - Excludes interest payments from the fiscal deficit
(D) Primary Deficit - Excludes grants given for creation of capital assets
(E) Answer not known

76. What was the central recommendation of the N.K. Singh Committee regarding the "Escape Clause" in the FRBM Act?
(A) It should allow a deviation of up to 2.5% of GDP from the fiscal deficit target in any given year
(B) It should be triggered only after the approval of the World Bank
(C) Allowing a 0.5% GDP deviation for structural reforms or calamities
(D) It should strictly forbid any deviation from targets regardless of economic circumstances
(E) Answer not known

77. Arrange the following deficit concepts in the logical order of their derivation, starting from the most comprehensive measure to the most specific measure representing current operational borrowing:
I. Gross Fiscal Deficit
II. Primary Deficit
III. Revenue Deficit
(A) I, III, II
(B) I, II, III
(C) III, I, II
(D) II, I, III
(E) Answer not known

78. Which of the following represents the core objective of enacting State Fiscal Responsibility Legislations (SFRBM) in India?
(A) To allow states to borrow directly from international financial institutions without Centre's consent
(B) To abolish all forms of indirect taxes at the state level
(C) Mandating fiscal discipline and sustainable state debt levels
(D) To transfer the burden of state pension liabilities to the Central Government
(E) Answer not known

79. Why is the composition and maturity profile of public debt crucial for debt sustainability?
(A) A shorter maturity profile reduces the rollover risk and immediate interest burden
(B) Short-term external debt increases vulnerability to exchange rate shocks
(C) A longer maturity profile means the government must pay back the principal within the same financial year
(D) Composition is irrelevant as long as the total debt is below 50% of GDP
(E) Answer not known

80. In the context of India's fiscal architecture, what is meant by "off-budget borrowing"?
(A) Borrowing undertaken directly by the central government but not reported to the RBI
(B) Funds raised by private companies that are guaranteed by foreign governments
(C) Borrowing specifically dedicated to funding off-shore infrastructure projects
(D) Public entity borrowing serviced by the budget but omitted from headline deficit
(E) Answer not known

81. Which of the following indicators is LEAST relevant when assessing the "fiscal space" available to a government to respond to an economic crisis?

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(A) The prevailing Debt-to-GDP ratio
(B) The cost of government borrowing (bond yields)
(C) The country's foreign direct investment policy on retail trade
(D) The tax buoyancy and revenue generation capacity
(E) Answer not known

82. Select the correct answer from the options given below based on the Assertion (A) and Reason (R) provided.
Assertion (A): During the COVID-19 pandemic, the Government of India expanded its fiscal space primarily by relaxing the FRBM targets.
Reason (R): The pandemic severely curtailed tax revenues while necessitating an unprecedented increase in healthcare and relief expenditure.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

83. The compensation mechanism for States under the GST regime was originally designed to guarantee a compounded annual revenue growth rate of what percentage over the base year 2015-16?
(A) 10%
(B) 12%
(C) 14%
(D) 16%
(E) Answer not known

84. Match the following pillars of the Atmanirbhar Bharat package with their target areas:
List I: (Pillar)
P. PM SVANidhi
Q. PM Kisan Samman Nidhi
R. MGNREGA enhancement
S. Emergency Credit Line Guarantee Scheme
List II: (Target Area)
I. Collateral-free loans for MSMEs and businesses
II. Working capital loan for street vendors
III. Additional allocation for rural employment guarantee
IV. Front-loading direct income support to farmers
(A) P-II, Q-IV, R-III, S-I
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-I, R-IV, S-III
(D) P-III, Q-IV, R-II, S-I
(E) Answer not known

85. Which of the following pairs is correctly matched regarding fiscal transparency?
(A) Extra-Budgetary Resources - Fully included in the calculation of the headline Fiscal Deficit
(B) Outcome Budget - Quantifying physical results and service delivery against outlays
(C) Contingency Fund - Used exclusively for planned capital expenditure
(D) Vote on Account - Final approval of the budget after a full parliamentary debate
(E) Answer not known

86. How does the Public Financial Management System (PFMS) directly enhance the efficiency of public expenditure management?
(A) By auditing all private sector companies that receive government tenders
(B) By automatically increasing taxes if the fiscal deficit limit is breached
(C) Facilitating "Just-in-Time" fund release to avoid idle administrative parking
(D) By outsourcing government accounting to international financial institutions
(E) Answer not known

87. Arrange the following steps involved in the operationalization of an Outcome Budget in the correct sequence:
I. Defining the financial outlay for the scheme
II. Identifying the quantifiable deliverables (outputs)
III. Defining the strategic objectives of the scheme
IV. Measuring the final impact (outcomes) on the target population
(A) III, I, II, IV
(B) I, III, II, IV
(C) III, II, I, IV
(D) I, II, III, IV
(E) Answer not known

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88. Under the IMF's Fiscal Transparency Code, which of the following practices is strongly advocated?
(A) Comprehensive reporting of all government revenues and contingent liabilities
(B) Keeping public sector debt confidential to prevent market panic
(C) Allowing state-owned enterprises to borrow off-budget without limits
(D) Restricting budget documentation to only the central government's direct cash transactions
(E) Answer not known

89. Tamil Nadu's fiscal consolidation path post the COVID-19 pandemic relies heavily on which of the following strategies?
(A) Complete cessation of all social welfare schemes
(B) Expenditure rationalization and augmenting tax revenue through compliance
(C) Monetising its state deficit directly through the Reserve Bank of India
(D) Transferring its entire debt burden to local municipal bodies
(E) Answer not known

90. Which of the following constitutes a critical element of the National Infrastructure Pipeline (NIP) to ensure its successful implementation?
(A) Exclusive funding by the Central Government without State involvement
(B) Collaborative funding involving the Centre, States, and Private Sector
(C) Complete reliance on foreign direct investment for all projects
(D) Banning private sector participation in core infrastructure sectors
(E) Answer not known

91. The concept of a "Golden Rule" in fiscal policy frameworks primarily advocates that:
(A) Borrowing is for productive investments while current revenue meets current costs
(B) Governments should maintain zero debt at all times
(C) Tax rates should never exceed 10% of individual income
(D) Central banks must back all currency issued with physical gold
(E) Answer not known

92. Select the correct answer from the options given below based on the Assertion (A) and Reason (R) provided.
Assertion (A): Counter-cyclical fiscal policy is challenging to implement effectively in developing economies.
Reason (R): Developing economies often lack the necessary fiscal space during downturns and struggle with accurate economic forecasting and execution lags.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

93. A high dependence on direct taxes compared to indirect taxes in a country's revenue structure typically indicates:
(A) A highly regressive tax system
(B) A high level of income inequality and poverty
(C) A poor tax administration lacking technological integration
(D) A more equitable and progressive tax system
(E) Answer not known

94. Match the following committees related to India's fiscal policy with their primary subject of inquiry:
List I: (Committee)
P. N.K. Singh Committee
Q. Raja J. Chelliah Committee
R. Vijay Kelkar Committee
S. Urjit Patel Committee
List II: (Subject of Inquiry)
I. FRBM Review and Fiscal Consolidation
II. Tax Reforms (1991)
III. Roadmap for Fiscal Consolidation (2012) and PPP model review
IV. Monetary Policy Framework and Inflation Targeting
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-I, Q-III, R-II, S-IV
(D) P-III, Q-II, R-I, S-IV
(E) Answer not known

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95. Which of the following pairs is incorrectly matched regarding the types of deficits?
(A) Revenue Deficit - Revenue Expenditure minus Revenue Receipts
(B) Monetised Deficit - Fiscal Deficit minus External Borrowing
(C) Fiscal Deficit - Total Expenditure minus (Revenue Receipts + Non-debt creating Capital Receipts)
(D) Primary Deficit - Fiscal Deficit minus Interest Payments
(E) Answer not known

96. What is the main objective of maintaining a sustainable "Debt-to-GDP" ratio as recommended by the FRBM Review Committee?
(A) To ensure that economic growth is solely driven by exports
(B) To mandate a balanced budget amendment in the Constitution
(C) To allow the government to print unlimited currency notes
(D) Maintaining macroeconomic stability and preventing the crowding out effect
(E) Answer not known

97. Arrange the following fiscal policy instruments from the most contractionary to the most expansionary in terms of aggregate demand impact:
I. Substantial increase in corporate tax rates
II. Marginal reduction in indirect taxes
III. Large-scale direct cash transfers to households
(A) I, II, III
(B) III, II, I
(C) I, III, II
(D) II, I, III
(E) Answer not known

98. In India, Centre-State fiscal coordination has been institutionalized recently through which of the following bodies to maintain harmony in indirect taxation?
(A) The Inter-State Council
(B) The National Development Council
(C) The GST Council
(D) The NITI Aayog Governing Council
(E) Answer not known

99. As per the Tamil Nadu Fiscal Responsibility Act, 2003, what was the primary statutory mandate regarding the revenue deficit?
(A) Eliminating revenue deficit and generating an adequate revenue surplus
(B) To cap it at 3% of GSDP indefinitely
(C) To substitute revenue deficit with external grants
(D) To merge revenue deficit with the capital deficit
(E) Answer not known

100. Ultimately, the significance of a sound fiscal policy in India rests on its ability to balance:
(A) Military spending and space exploration
(B) Import substitution and foreign exchange reserves
(C) The political cycles of the Central and State governments
(D) Stimulating growth while maintaining stability and debt sustainability
(E) Answer not known

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ANSWERS

1. (A) Using government revenue and expenditure to promote growth and equitable distribution
Fiscal policy uses taxation and government spending to influence economic performance. In developing nations like India, it aims to accelerate growth while ensuring wealth is distributed fairly across society. By adjusting tax structures and public outlays, the state addresses infrastructure needs and social welfare, balancing market efficiency with social justice goals.

2. (A) Both A and R are true and R is the correct explanation of A.
Expansionary fiscal policy involves increasing public spending or decreasing taxes to stimulate economic activity. This approach boosts aggregate demand directly by injecting more funds into the economy. During recessions, these measures help bridge the output gap and encourage production. Since spending raises demand without immediate tax offsets, it serves as a primary tool for revival.

3. (A) I and II
Indian fiscal policy focuses on reducing income disparities through progressive taxes where higher earners pay more. It also aims for the optimal allocation of resources between public and private sectors to drive development. While foreign investment is regulated, eliminating it is not a standard fiscal objective. Instead, the policy prioritizes growth, stability, and social equity.

4. (A) P-III, Q-II, R-IV, S-I
Lowering corporate taxes encourages business investment and capacity building. Public infrastructure spending creates long-term capital assets and employment multipliers. Unemployment benefits serve as a safety net, maintaining consumption levels for the marginalized. Meanwhile, household tax rebates increase disposable income immediately. Together, these measures form a comprehensive strategy to boost economic demand and supply-side productivity.

5. (B) Increasing direct taxes - Reduces disposable income of households
Contractionary fiscal policy aims to slow down an overheated economy and control inflation. Increasing direct taxes achieves this by reducing the disposable income available to households and businesses, which lowers overall consumption. Other measures include cutting public expenditure. These actions decrease aggregate demand, helping to stabilize price levels and prevent the economy from exceeding capacity.

6. (C) It cushions economic fluctuations without any deliberate government intervention, such as progressive income taxes
Automatic stabilisers are economic features that offset fluctuations in business cycles without new legislative action. Progressive income taxes and unemployment insurance are classic examples. During a boom, tax revenues rise automatically as incomes increase, cooling demand. In a recession, tax burdens fall and welfare payments rise, supporting spending. This built-in mechanism provides immediate, counter-cyclical economic stabilization.

7. (B) Increased Government Expenditure → Higher Aggregate Demand → Increased Production → Job Creation
A discretionary fiscal stimulus begins when the government actively increases its expenditure to revive the economy. This injection of funds raises aggregate demand across various sectors. As demand grows, firms respond by increasing production to meet the new requirements. Consequently, higher production levels necessitate more labor, leading to job creation and further boosting overall economic health.

8. (A) Increased public borrowing driving up interest rates and reducing private investment
The crowding out effect occurs when heavy government borrowing to fund a deficit increases the demand for loanable funds. This surge in demand drives up interest rates in the financial market. Higher borrowing costs make

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it more expensive for private businesses to fund their projects, leading to a reduction in private investment and potentially slowing down growth.

9. (A) I, III and IV
The fiscal multiplier quantifies how an initial change in government spending impacts the total national income. A higher marginal propensity to consume strengthens this effect, as more income is recirculated within the economy. Conversely, the tax multiplier is negative because higher taxes reduce disposable income and consumption. High imports weaken the multiplier by leaking funds abroad.

10. (B) Engaging in deliberate deficit spending to boost aggregate demand
Keynesian economics suggests that during a severe depression, private demand is insufficient to maintain full employment. The government must intervene through deliberate deficit spending on public works and social programs. This increases aggregate demand, creates jobs, and encourages private sector participation through the multiplier effect. Balancing the budget during such crises is generally considered counter-productive and harmful.

11. (A) Lowering tax rates to incentivize labor supply and capital investment
Supply-side fiscal policy focuses on enhancing the productive capacity of the economy. It advocates for lowering tax rates to encourage individuals to work more and businesses to invest in new projects. By reducing regulatory burdens and providing incentives for innovation, these policies aim to shift the aggregate supply curve outward, leading to long-term economic growth and lower inflation.

12. (A) Both A and R are true and R is the correct explanation of A.
Demand-pull inflation occurs when aggregate demand exceeds the economy's supply capacity. To counter this, the government adopts contractionary fiscal policy. Reducing public spending and increasing taxes lowers the total money available in the economy, which effectively curtails demand. This reduction in spending pressure helps stabilize price levels and maintains macroeconomic stability by preventing the economy from overheating.

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13. (A) I, II, III and V
MGNREGA serves as a demand-side fiscal tool by providing guaranteed manual work to rural households. It functions as an automatic stabiliser because demand for such work increases during agricultural lean periods or climate distress. Beyond social relief, the program facilitates the creation of durable rural assets. Funding is shared between the Centre and States, rather than being local.

14. (A) P-III, Q-I, R-II, S-IV
Tax buoyancy measures how tax revenue changes relative to GDP growth, accounting for policy shifts. Tax elasticity assesses this responsiveness while adjusting for discretionary changes to isolate the impact of economic growth. Progressive taxation features increasing rates as income rises, promoting equity. Regressive taxation takes a larger percentage from low-income earners, often seen in specific indirect tax structures.

15. (B) India's Tax-to-GDP ratio - Generally higher than that of OECD countries like Sweden and France
India's tax-to-GDP ratio is significantly lower than that of advanced OECD nations, which often exceed thirty percent. A low ratio indicates challenges in tax compliance and a large informal sector, limiting the government's capacity for social spending. While direct taxes are growing, the overall ratio remains constrained. Improving this metric is essential for funding critical public infrastructure and services.

16. (D) Buoyancy includes discretionary policy changes while elasticity measures only automatic growth
Tax buoyancy reflects the actual change in tax revenue relative to changes in national income, including the effects of new tax laws or rate changes. In contrast, tax elasticity measures the inherent responsiveness of tax revenue to economic growth by excluding the impact of discretionary policy modifications. Understanding both helps policymakers evaluate the efficiency of the tax system and administration.

17. (A) IV, III, II, I
Tax reforms in India began with the Chelliah Committee in 1991, which laid the foundation for modernization. The Minimum Alternate Tax was introduced in the late 1990s to ensure zero-tax companies contributed. More recently, the Faceless Assessment Scheme was launched to enhance transparency. Finally, the new simplified personal income tax regime without exemptions was introduced to provide choices.

18. (C) Allowing taxpayers to negotiate their tax liabilities directly with the local assessing officer
The Faceless Assessment scheme aims to eliminate the physical interface between taxpayers and tax authorities to reduce corruption and harassment. It utilizes team-based assessments and dynamic jurisdiction for greater objectivity. Negotiating liabilities directly with local officers is contrary to the scheme's objective of impartiality. Instead, the process is centralized and automated to ensure fairness and transparency.

19. (C) II only
Tax expenditure represents the revenue the government chooses not to collect by granting various exemptions, deductions, and incentives. It is effectively a hidden subsidy designed to promote specific social or economic goals. It does not refer to the administrative cost of tax collection. Reducing these exemptions would broaden the tax base and typically lead to an increase in the tax-to-GDP ratio.

20. (D) The relationship between tax rates and total tax revenue collected
The Laffer Curve illustrates the theoretical relationship between taxation rates and the resulting levels of government revenue. It suggests that both 0 percent and 100 percent tax rates produce zero revenue. As rates rise from zero, revenue increases up to a certain point. Beyond this optimal point, higher rates discourage work and investment, causing total revenue to actually decrease.

21. (B) Differences in the revenue-raising capacity and expenditure needs among various State governments
Horizontal fiscal imbalance refers to the disparity between different states regarding their ability to generate revenue and their varying needs for public expenditure. Some states have stronger industrial bases, while others face higher costs due to geography or population density. The Finance Commission uses redistribution formulas to bridge these gaps, ensuring all states can provide a basic level of services.

22. (A) Both A and R are true and R is the correct explanation of A.
Vertical fiscal imbalance exists because the Central government has access to more buoyant revenue sources while States bear the majority of expenditure responsibilities. The Constitution establishes the Finance Commission to resolve this. By recommending how the net proceeds of central taxes should be divided between the Union and the States, the Commission ensures a fair distribution of resources.

23. (A) I, II and IV
Historically, India used ad hoc Treasury Bills for automatic monetization of the deficit by the RBI. This practice ended in 1997 to ensure fiscal discipline. Currently, the government primarily funds the deficit through market borrowings and public account liabilities, which are less inflationary than printing money. Printing new currency generally increases the money supply, leading to inflationary pressures.

24. (A) P-III, Q-I, R-II, S-IV
Monetised deficit represents the RBI's direct financing of the government through money creation. Ways and Means Advances are temporary facilities to cover short-term cash flow mismatches. The fiscal deficit is the total gap between expenditure and non-debt receipts, indicating total borrowing needs. Revenue deficit specifically measures the shortfall in current receipts compared to the government's day-to-day operational expenditures.

25. (B) Original target for Revenue Deficit - To be completely eliminated by 2008-09
The FRBM Act of 2003 was enacted to institutionalize fiscal discipline. Its original goal was to eliminate the revenue deficit entirely by March 2009 and reduce the fiscal deficit to three percent of GDP. While these targets have been modified over time due to economic crises, the Act remains the cornerstone of India's fiscal responsibility framework for stability.

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26. (B) Using the Debt-to-GDP ratio as the principal anchor for the fiscal framework
The N.K. Singh Committee reviewed the FRBM Act and recommended a paradigm shift from focusing solely on annual deficits to targeting the overall debt stock. It proposed a Debt-to-GDP ratio of sixty percent for the general government, comprising forty percent for the Centre and twenty percent for the States. This approach emphasizes long-term solvency and macroeconomic stability.

27. (B) National security crisis (War) → National calamity → Severe collapse of agriculture → Structural reforms
The FRBM Act allows the government to deviate from fiscal targets under exceptional circumstances known as the escape clause. These are prioritized based on systemic severity. National security threats and wars have the highest impact, followed by major natural disasters. Significant agricultural failure and fundamental structural reforms also justify deviations, as these events necessitate increased public spending to stabilize economies.

28. (C) Adopting policies to reduce government deficits and the total debt stock
Fiscal consolidation refers to the strategic efforts made by a government to improve its fiscal health. This involves reducing the fiscal deficit and the overall public debt relative to GDP. It is achieved through a combination of revenue enhancement, such as broadening the tax base, and expenditure rationalization. Effective consolidation ensures long-term debt sustainability and maintains investor confidence.

29. (C) I, II and III
The Golden Rule mandates that borrowing should only fund capital investments that yield future benefits. A Debt Brake requires a balanced budget over time to ensure sustainability. India's FRBM Act represents a formal adoption of such rules. While these rules provide discipline, they rarely eliminate discretionary policy entirely. Furthermore, Indian states are bound by their own fiscal responsibility legislations.

30. (C) Issuing Cash Management Bills to manage short-term liquidity
Public debt management involves the government raising funds to meet its requirements at the lowest possible cost over the long run. Cash Management Bills are short-term instruments issued to tide over temporary mismatches in the government's cash flow. While the RBI manages the issuance, the government uses these and dated securities to manage its liabilities and maintain market liquidity.

31. (B) It increases interest burdens and reduces fiscal room for essential social spending
A very high Debt-to-GDP ratio signifies that a large portion of the government's revenue must be dedicated to interest payments rather than productive investments. This reduces the fiscal space available for essential social sectors like health and education. It also increases the risk of a debt trap and can lead to lower credit ratings, making future borrowing expensive.

32. (A) Both A and R are true and R is the correct explanation of A.
The Twelfth Finance Commission encouraged states to adopt fiscal discipline by linking financial incentives to the enactment of Fiscal Responsibility Legislations. States were offered debt relief and write-offs if they met specific deficit reduction targets. This led to most Indian states passing their own laws, similar to the central FRBM Act, to ensure sustainable debt levels and discipline.

33. (A) I and II
With the implementation of GST, states traded their power to levy indirect taxes for a share in a unified tax and a five-year compensation guarantee. This compensation was meant to offset any revenue shortfalls. However, the economic slowdown caused by the pandemic depleted the compensation fund, forcing the Centre to borrow funds and provide loans to the states.

34. (A) P-III, Q-IV, R-I, S-II
Fiscal space defines the budgetary room for spending without risking debt sustainability. A stimulus package is a deliberate effort to boost demand through spending and tax cuts. Counter-cyclical policy involves spending more during recessions to revive the economy. Pro-cyclical

policy, conversely, involves cutting spending during downturns to meet rigid targets, which can sometimes worsen an economic contraction.

35. (A) Monetisation of Deficit - A direct cash transfer scheme for urban industrial workers
The Atmanirbhar Bharat package focused on a mix of liquidity support, structural reforms, and social safety nets. Monetisation of deficit is a central bank mechanism to fund government spending and is not a cash transfer scheme. Successful components included the Emergency Credit Line for small businesses, food grain distribution for the poor, and incentives to encourage domestic manufacturing.

36. (D) The strategy combined structural reforms, credit support, and targeted welfare relief
India's response to the pandemic was multi-faceted, avoiding massive direct cash handouts to prevent inflation. Instead, it focused on credit guarantees for businesses, structural reforms in sectors like agriculture and mining, and targeted welfare relief such as free food grains. This strategy aimed to protect the vulnerable while ensuring the economy's supply-side remained resilient for a faster recovery.

37. (A) I, II, III, IV
The National Infrastructure Pipeline identifies various sectors for massive capital investment. Energy typically commands the largest share, reflecting the need for power and renewable transitions. This is followed by roads and urban infrastructure, which are critical for connectivity and modernization. Railways also represent a significant portion of the planned expenditure. This systematic allocation aims to boost long-term economic productivity.

38. (C) It smooths the business cycle by cooling overheated economies and boosting weak ones
Counter-cyclical fiscal policy acts against the direction of the economic cycle to maintain stability. By increasing spending and lowering taxes during a recession, it boosts aggregate demand. Conversely, by reducing spending and raising taxes during a boom, it prevents overheating and inflation. This smoothing effect reduces the severity of economic fluctuations, providing a more stable environment for sustainable growth.

39. (A) I, II and III
The GST Council is a constitutional body that ensures cooperative federalism in indirect taxation. It recommends rates and exemptions, with decisions requiring a three-fourths majority of the weighted votes. The Union Government holds one-third of the voting power, while all States combined hold two-thirds. This structure necessitates a consensus between the Centre and a majority of States.

40. (A) Tracking physical outputs and outcomes alongside financial outlays for government schemes
An Outcome Budget shifts the focus from how much money was spent to what was actually achieved. It links financial outlays of various government schemes to specific physical outputs and long-term outcomes. This practice enhances accountability and ensures that public funds are used effectively to deliver the intended benefits to the population, moving beyond mere expenditure tracking to evaluation.

41. (B) Real-time tracking of funds for central schemes and direct benefit transfers
The PFMS is an end-to-end solution for tracking the flow of funds from the Central Government to the end beneficiaries. It ensures that money for various schemes is released only when needed and reaches the intended recipients directly through their bank accounts. This reduces leakages, prevents the parking of idle funds, and enhances the transparency of public expenditure.

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42. (A) Both A and R are true and R is the correct explanation of A.
Fiscal transparency is essential for an honest assessment of a government's financial health. Historically, governments sometimes used off-budget borrowings—loans taken by public entities but serviced by the treasury—to keep the headline deficit low. Bringing these liabilities into the main budget provides a complete and accurate picture of the total public debt, which is fundamental for sound management.

43. (C) II, III and IV
Tamil Nadu has faced fiscal challenges, with its debt-to-GSDP ratio rising due to the absorption of power sector debts and pandemic pressures. The state's fiscal responsibility act mandates

eliminating the revenue deficit, although achieving this has been difficult recently. However, the state maintains strong internal revenue generation. It does not heavily rely on central grants for daily operations.

44. (A) P-I, Q-III, R-IV, S-II
The Finance Commission determines the vertical and horizontal distribution of central taxes. The GST Council recommends rates and policies for the unified indirect tax regime. NITI Aayog promotes cooperative federalism through policy support and innovation. The Public Accounts Committee, a parliamentary body, scrutinizes the government's spending and the reports of the Comptroller and Auditor General for accountability.

45. (D) Macroeconomic stability - Sustainable debt levels used to prevent inflationary shocks
Sound fiscal policy is vital for maintaining macroeconomic stability by ensuring that debt levels remain sustainable and do not trigger inflationary crises. Inter-generational equity requires that current consumption is not funded by burdens on future citizens. Resource allocation should promote social goals. Inclusive growth involves using taxes and spending to reduce poverty and inequality, rather than favoring luxury.

46. (C) Changing tax rates and spending versus adjusting interest rates and money supply
The primary distinction between the two lies in the instruments used and the authorities responsible. Fiscal policy is managed by the government through changes in taxation and public spending. Monetary policy is handled by the central bank, focusing on controlling the money supply and interest rates to manage inflation. While both aim for stability, fiscal policy impacts income distribution directly.

47. (A) High Fiscal Deficit → Increased Borrowing → Higher Interest Payments → Higher Revenue Deficit → Higher Fiscal Deficit
A persistent debt trap begins with high fiscal deficits that necessitate extensive borrowing. As the total debt grows, the government must dedicate more of its revenue to interest payments. This increases the revenue deficit, as less money is available for operational costs, leading to even higher total borrowing needs. This self-reinforcing cycle eventually compromises the government's ability to fund investments.

48. (D) Applying higher excise duties or carbon taxes to polluting industrial units
Negative externalities occur when the production or consumption of a good imposes costs on third parties, such as pollution. Fiscal policy addresses this by imposing taxes, like carbon taxes or higher excise duties, on the activities causing the harm. These taxes increase the cost for the producer, encouraging them to reduce pollution. This aligns private costs with social costs.

49. (A) I and II
Contractionary fiscal policy is used to cool an economy that is growing too fast and experiencing high inflation. It involves reducing government spending and increasing tax rates. These actions decrease the total amount of money circulating in the economy and lower aggregate demand. Successfully implementing these measures results in a smaller fiscal deficit or a larger surplus, rather than increasing it.

50. (C) It operates automatically without any new legislation whenever the economy enters a recession
Discretionary fiscal policy requires active and deliberate changes in government laws regarding spending or taxation. It is not automatic; rather, it involves specific decisions like passing a stimulus bill. This type of policy often faces lags—the time it takes to recognize a problem, decide on action, and for the impact to occur. Automatic stabilisers, not discretionary policies, work without legislation.

51. (A) Raising government funds from various sources to bridge the revenue-expenditure gap
Public borrowing is a fiscal policy tool where the government raises loans from the public, financial institutions, or external sources to finance its deficit. This happens when the government's total expenditure exceeds its total revenue. These borrowings create a liability that must be repaid with interest. It is a critical method for funding large-scale infrastructure and projects beyond tax revenue.

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52. (A) Both A and R are true and R is the correct explanation of A.
Progressive taxation is a key tool for social equity. Under this system, the tax rate increases as an individual's income rises, meaning those with a greater ability to pay contribute a larger percentage of their earnings. This allows the government to collect resources that can be redistributed through social welfare programs and public services, helping to reduce wealth inequality.

53. (A) I, II and IV
Automatic stabilisers are built-in economic mechanisms that respond to changes in the business cycle without new government intervention. Progressive income taxes naturally collect more during booms and less during busts. Unemployment benefits and welfare schemes expand automatically as more people qualify during a recession, providing a consumption floor. In contrast, announcing a specific highway project is a deliberate discretionary action.

54. (A) P-II, Q-IV, R-III, S-I
Discretionary policy involves deliberate actions like stimulus packages. Automatic stabilisers, such as unemployment benefits, provide immediate relief during downturns. Fiscal drag occurs when inflation and progressive taxes push people into higher tax brackets, slowing growth. Fiscal consolidation is the long-term process of reducing national debt. Each aspect plays a distinct role in managing economic cycles and maintaining sustainable public finances.

55. (D) Crowding in effect - Infrastructure investment that encourages private participation
The crowding in effect occurs when strategic public investment in infrastructure, like roads and ports, improves the business environment and encourages private companies to invest. Capital expenditure refers to creating long-term assets, while revenue expenditure covers day-to-day costs. Fiscal drag is a restrictive effect of taxes during growth. Effective fiscal policy uses capital spending to catalyze private activity.

56. (A) A higher magnitude means a smaller stimulus is needed to boost national income
The fiscal multiplier indicates how much total economic output increases for every dollar of government spending. If the multiplier is high, a relatively small increase in spending can lead to a significant boost in national income because the money recirculates effectively. For policymakers, understanding this magnitude is crucial for designing a stimulus that is large enough without causing excessive inflation.

57. (A) II, IV, I, III
The process begins when the government implements expansionary fiscal policy through spending or tax cuts. This increases citizens' disposable income, leading to higher consumer spending. Consequently, the total aggregate demand rises and eventually exceeds the economy's ability to produce goods and services. This imbalance between high demand and limited supply causes a general increase in prices, known as inflation.

NODIA

58. (B) Government borrowing of idle savings to invest in public works projects
In a deep depression, private businesses may be too pessimistic to invest, even if interest rates are low. Keynesian theory suggests the government should borrow idle private savings that are not being used and spend them on public works projects. This direct intervention creates employment and income, which then stimulates private demand through the multiplier effect, eventually aiding economic recovery.

59. (A) I, II, IV and V
Supply-side economics focuses on increasing the economy's productive capacity. It advocates for lower taxes and deregulation to incentivize work, saving, and investment. This school of thought is famously associated with the Laffer Curve, which posits that lower tax rates can sometimes increase total revenue by boosting growth. It prioritizes long-run productivity over short-term demand management through high spending.

60. (C) Reducing spending and purchasing power to curtail aggregate demand
Tight, or contractionary, fiscal policy is used to combat inflation by reducing the total level of spending in the economy. The government achieves this by cutting its own expenditure and increasing taxes, which leaves individuals and businesses with less money to spend. By lowering aggregate demand, the pressure on prices eases,

helping to bring inflation back to a manageable level.

61. (D) To act as an engine for demand creation and rural asset building
While MGNREGA's primary goal is providing a social safety net through guaranteed employment, its secondary fiscal role is significant. By putting cash into the hands of the rural poor, it stimulates demand for goods and services in rural markets. Furthermore, the labor is used to build productive infrastructure like ponds, which enhances the long-term productive capacity of the economy.

62. (A) Both A and R are true and R is the correct explanation of A.
Fiscal policy aims for equity by redistributing resources toward human development. Spending on health and education is a vital investment because it improves the skills and well-being of the marginalized sections of society. By enhancing human capital, the government ensures that all citizens have a fairer chance to participate in and benefit from economic growth, leading to inclusive development.

63. (A) I and III
A low tax-to-GDP ratio often reflects a narrow tax base where many citizens and businesses remain outside the formal tax net. It indicates that the government struggles to mobilize domestic resources, leading to a higher reliance on borrowing. In India, agricultural income remains largely exempt from central taxation, which is one reason the ratio is lower compared to other economies.

64. (A) P-IV, Q-III, R-I, S-II
The new income tax regime offers lower rates if exemptions are foregone. The Vivad se Vishwas Act was designed to resolve long-standing tax disputes and reduce litigation. Minimum Alternate Tax ensures that companies using many exemptions still pay a basic tax. Tax Deduction at Source is a mechanism where tax is collected at the point of payment, ensuring steady revenue.

65. (A) Discretionary changes - Included in the calculation of Tax Elasticity
Tax elasticity specifically measures the responsiveness of tax revenue to GDP growth after removing the impact of discretionary changes like rate hikes or new taxes. This helps determine how well the tax system performs automatically as the economy grows. Tax buoyancy, however, includes all changes, providing a measure of the actual growth in revenue relative to the total growth in income.

66. (C) Artificial Intelligence and automated case allocation systems
The Faceless Assessment scheme uses advanced technology to transform tax administration. It employs Artificial Intelligence and machine learning to select cases for scrutiny based on risk parameters. An automated system then assigns these cases to assessment units across the country, ensuring that the officer and taxpayer remain anonymous. This digital-first approach minimizes human bias and maximizes the objective use of data.

67. (A) Filing of Return → Scrutiny Selection → Physical hearing with jurisdictional AO → Final Assessment Order
In the traditional direct tax process, the taxpayer first files a return. If the return is selected for scrutiny based on certain criteria, the taxpayer is notified. Previously, this involved physical hearings at the jurisdictional office where the taxpayer or their representative met the assessing officer. After reviewing the evidence, the officer would issue a final assessment order determining the liability.

68. (D) It limits resource mobilization by narrowing the effective tax base
High tax expenditure means the government is giving up potential revenue through various tax breaks and incentives. While intended to promote certain sectors, these exemptions narrow the effective tax base and reduce the total resources available for public investment. This forces the government to either maintain higher tax rates for others or increase its borrowing, which can have negative macroeconomic consequences.

69. (A) I, II and IV
The Laffer Curve suggests there is a point where tax rates become so high that they discourage the activity being taxed, leading to a drop in total revenue. It posits an optimal rate that maximizes collections. This idea was central to supply-side policies in the 1980s. However, it does not prove

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that cutting taxes always increases revenue; it only suggests this.

70. (A) The Articles ranging from 268 to 293
Part XII of the Indian Constitution, specifically the range of Articles from 268 to 293, details the financial relations between the Union and the States. These provisions cover the levying and collection of various taxes, the distribution of their proceeds, and the granting of aid. This framework establishes the legal basis for fiscal federalism, ensuring that both levels have necessary funds.

71. (D) Finance Commission formulas using criteria like income distance
To address horizontal imbalances—the difference in financial capacity between states—the Finance Commission uses a mathematical formula for tax devolution. Criteria often include income distance, population, forest cover, and fiscal performance. These weightages ensure that poorer or disadvantaged states receive a larger share of central taxes to provide essential services to their citizens, balancing development across the diverse regions of the nation.

72. (A) Both A and R are true and R is the correct explanation of A.
In India's fiscal structure, the Central Government has the authority to levy the most productive and buoyant taxes, such as corporate and personal income taxes and customs duties. This creates a situation of revenue dominance at the center. Conversely, States are responsible for major expenditures in social sectors. This imbalance necessitates the transfer of resources from the Union to the States.

73. (A) I, III, IV and V
India primarily finances its fiscal deficit through market borrowings by issuing dated securities. External debt remains a small part of the total. The government also uses public account funds like provident funds. While direct monetization by the RBI has been discontinued as a standard practice, high market borrowing by the government can compete with the private sector for funds, potentially leading to crowding.

74. (A) P-II, Q-IV, R-I, S-III
Ways and Means Advances are short-term loans to manage government cash flow. Open Market Operations are used by the RBI to manage general liquidity in the economy. Monetisation of the deficit involves the RBI directly purchasing government debt in the primary market. An overdraft facility allows the government to borrow beyond its agreed limit for a very short period to meet urgent needs.

75. (A) Fiscal Deficit target - To limit total borrowing requirement of the government
The fiscal deficit is the most comprehensive measure of the government's financial health as it represents the total borrowing needed to bridge the gap between total expenditure and non-debt receipts. The FRBM Act sets targets for this to ensure fiscal sustainability. Other measures like revenue deficit focus on whether the government is borrowing for consumption, while primary deficit excludes interest on past debt.

76. (C) Allowing a 0.5% GDP deviation for structural reforms or calamities
The N.K. Singh Committee recommended providing the government with flexibility to handle unforeseen crises without abandoning fiscal discipline. It suggested an escape clause that allows the fiscal deficit to exceed the target by up to 0.5 percent of GDP. This can be invoked during periods of severe economic stress or national emergencies, provided the government outlines a path to return to target.

77. (A) I, III, II
Gross Fiscal Deficit is the widest measure, showing the total borrowing needed by the government. Within this, the Revenue Deficit specifically identifies how much of that borrowing is used to cover day-to-day operational expenses rather than creating assets. Finally, the Primary Deficit is derived by subtracting interest payments from the fiscal deficit, highlighting the government's current year's fiscal stance and management.

78. (C) Mandating fiscal discipline and sustainable state debt levels
State Fiscal Responsibility and Budget Management (SFRBM) laws were enacted to ensure that individual states manage their finances prudently. These laws set specific

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targets for reducing revenue and fiscal deficits at the state level. By mandating such discipline, the laws aim to prevent states from accumulating unsustainable debt, which could threaten national macroeconomic stability and limit the states' ability to invest in services.

79. (B) Short-term external debt increases vulnerability to exchange rate shocks
The maturity profile refers to when the government must repay its borrowed principal. If a large portion of debt is short-term and owed to external creditors, the country becomes vulnerable to sudden changes in exchange rates or interest rates. This rollover risk can lead to a financial crisis if the government cannot easily refinance the debt. A longer profile generally provides more stability.

80. (D) Public entity borrowing serviced by the budget but omitted from headline deficit
Off-budget borrowings are loans taken by government-owned entities to fund activities that the government should technically pay for directly. While the government's budget eventually pays back these loans, they are not included in the officially reported fiscal deficit figure. This practice can make the government's financial position look better than it actually is, leading to calls for greater transparency in reporting.

81. (A) The prevailing Debt-to-GDP ratio
While the Debt-to-GDP ratio is a standard measure of a country's debt burden, it is often considered a lagging indicator. In a crisis, the immediate fiscal space is more accurately determined by the government's current ability to borrow at reasonable interest rates and its capacity to generate future revenue. Foreign investment policy in retail sectors is structural and less directly related to budget room.

82. (A) Both A and R are true and R is the correct explanation of A.
During the pandemic, the Indian government faced a unique challenge: tax revenues plummeted due to the economic shutdown while the need for health and relief spending soared. To accommodate this, the government utilized the escape clause in the FRBM Act, allowing the fiscal deficit to expand significantly beyond the original three percent target. This expansion was necessary to manage the crisis.

83. (C) 14%
When GST was introduced, states were concerned about potential revenue losses. To gain their support, the Central Government guaranteed that states would receive a minimum annual revenue growth of 14 percent, using 2015-16 as the base year. If a state's actual GST collection fell below this guaranteed level, the Centre would pay the difference from a dedicated compensation cess fund.

84. (A) P-II, Q-IV, R-III, S-I
PM SVANidhi provided micro-credit to street vendors to restart their businesses. PM Kisan Samman Nidhi accelerated direct income transfers to farmers to provide immediate liquidity. MGNREGA received additional funding to support returning migrant workers in rural areas. The Emergency Credit Line Guarantee Scheme offered collateral-free loans to MSMEs, ensuring they had the necessary working capital to survive the pandemic disruptions.

85. (B) Outcome Budget - Quantifying physical results and service delivery against outlays
Fiscal transparency requires clear reporting of both financial and physical performance. An Outcome Budget is a primary tool for this, as it measures the actual results achieved with public money. In contrast, extra-budgetary resources are often excluded from headline deficits, which can reduce transparency. A Vote on Account is a temporary grant to keep the government running before the full budget.

86. (C) Facilitating "Just-in-Time" fund release to avoid idle administrative parking
The Public Financial Management System improves efficiency by moving away from releasing all funds at once, which led to money sitting idle. Instead, PFMS allows for just-in-time releases, where funds are transferred only when the actual expenditure is about to happen. This ensures that the government can manage its cash more effectively and reduces the need for unnecessary and costly short-term borrowing.

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87. (A) III, I, II, IV
The process of creating an outcome budget begins with defining the strategic objectives—what the government wants to achieve in the long term. Next, the specific financial outlay or budget is allocated to the scheme. Then, the immediate physical outputs or deliverables are identified. Finally, the system measures the actual impact on the target population to determine if the original objectives were successfully met.

88. (A) Comprehensive reporting of all government revenues and contingent liabilities
The IMF advocates for a high standard of fiscal transparency, which includes the full disclosure of all government financial activities. This means reporting not just direct spending, but also contingent liabilities—potential future costs like government guarantees on loans. Clear and comprehensive reporting helps investors and citizens understand the true risks to the government's position and promotes more responsible and sustainable management.

89. (B) Expenditure rationalization and augmenting tax revenue through compliance
Following the pandemic, Tamil Nadu has focused on a path of fiscal consolidation to return to sustainable deficit levels. This strategy involves careful expenditure rationalization—ensuring that spending is efficient and directed toward high-priority areas. Simultaneously, the state is working to increase its own tax revenues by improving compliance and broadening the tax base. This balanced approach aims to support growth.

90. (B) Collaborative funding involving the Centre, States, and Private Sector
The National Infrastructure Pipeline is a massive undertaking that requires resources far beyond what the Central Government can provide alone. Its success depends on a collaborative funding model where the costs are shared among the Union Government, State Governments, and the private sector. This partnership approach not only mobilizes more capital but also ensures that projects are better managed and risks shared.

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91. (A) Borrowing is for productive investments while current revenue meets current costs
The Golden Rule of public finance suggests that a government should only borrow money to fund capital projects, such as building schools or transport networks, which will benefit future generations. Current or revenue expenditure, like salaries, should be covered by current tax revenues. This principle ensures that the government does not pass on the costs of today's consumption to future taxpayers.

92. (A) Both A and R are true and R is the correct explanation of A.
Implementing counter-cyclical policy—spending more during a recession—is difficult for developing countries because they often lack fiscal space. When their economies slow down, their tax revenues drop, and they may already have high debt levels that make further borrowing difficult. Additionally, these countries may face technical challenges in accurately predicting economic trends and delays in executing large spending projects effectively.

93. (D) A more equitable and progressive tax system
Direct taxes, such as personal income tax, are typically progressive, meaning the rate increases with the person's ability to pay. A tax system that relies more on direct taxes than on indirect taxes (like GST, which everyone pays at the same rate regardless of income) is generally seen as more equitable. This structure helps reduce wealth inequality by placing a higher burden on high-income earners.

94. (A) P-I, Q-II, R-III, S-IV
The N.K. Singh Committee was instrumental in reviewing the FRBM Act. The Chelliah Committee set the stage for major tax reforms in the early 1990s. The Vijay Kelkar Committee provided a roadmap for fiscal consolidation and reviewed the Public-Private Partnership model. The Urjit Patel Committee focused on the monetary side, recommending the current inflation-targeting framework. Together, these committees shaped modern governance.

95. (B) Monetised Deficit - Fiscal Deficit minus External Borrowing
Monetised deficit refers specifically to the part of the government's deficit that is financed by

the central bank through the creation of new money. It is not calculated by simply subtracting external borrowing from the fiscal deficit. Other definitions are correct: revenue deficit is the gap in current accounts, fiscal deficit is the borrowing requirement, and primary deficit excludes interest on previous debt.

96. (D) Maintaining macroeconomic stability and preventing the crowding out effect
A sustainable Debt-to-GDP ratio ensures that the government's total debt is manageable relative to the size of the economy. By keeping debt levels in check, the government maintains macroeconomic stability and investor confidence. It also prevents the crowding out effect, where excessive government borrowing pushes up interest rates and leaves less money available for private businesses to invest and grow.

97. (A) I, II, III
Increasing corporate tax rates is the most contractionary measure because it directly reduces the funds available for business investment. A marginal reduction in indirect taxes is slightly expansionary as it may lower prices and encourage some spending. Large-scale direct cash transfers to households are the most expansionary, as they immediately put money into people's hands, which is typically spent quickly.

98. (C) The GST Council
The GST Council has become the most important body for coordinating fiscal policy between the Centre and the States regarding indirect taxation. It brings together the Union Finance Minister and representatives from all States to make collective decisions on tax rates, exemptions, and administrative rules. This institutional setup is a landmark in Indian cooperative federalism, ensuring unified and harmonious national market management.

99. (A) Eliminating revenue deficit and generating an adequate revenue surplus
When Tamil Nadu enacted its Fiscal Responsibility Act in 2003, its primary goal was to bring discipline to the state's finances. The law specifically mandated that the state should eliminate its revenue deficit—the gap between its current income and current spending—and eventually move toward a revenue surplus. This was intended to ensure that the state only borrowed money for capital investments.

100. (D) Stimulating growth while maintaining stability and debt sustainability
Ultimately, the goal of fiscal policy in a country like India is to find a balance between two competing needs. On one hand, the government must spend enough to stimulate economic growth and provide social welfare. On the other hand, it must keep its deficits and debt at levels that do not cause high inflation. Achieving this balance is the key to prosperity.

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CHAPTER 05

Reserve Bank of India and Monetary Policy

1. Match List I with List II.
List I: Major Milestones
P. Establishment of the Reserve Bank of India
Q. Nationalisation of the Reserve Bank of India
R. Enactment of the Foreign Exchange Management Act
S. Introduction of the Insolvency and Bankruptcy Code
List II: Year
I. 1999
II. 1935
III. 2016
IV. 1949
(A) P-II, Q-IV, R-I, S-III
(B) P-IV, Q-II, R-I, S-III
(C) P-II, Q-IV, R-III, S-I
(D) P-I, Q-IV, R-II, S-III
(E) Answer not known

2. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Reserve Bank of India provides Ways and Means Advances (WMA) to the government.
Reason (R): WMA helps the government bridge temporary mismatches in the cash flow of its receipts and payments.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

3. Which of the following pairs is incorrectly matched regarding the monetary policy instruments of the RBI?
(A) Reverse Repo Rate - The tool used by RBI to inject liquidity into the banking system
(B) Repo Rate - The rate at which RBI lends short-term money to commercial banks
(C) Cash Reserve Ratio - The percentage of a bank's total deposits mandated to be kept with the RBI in cash
(D) Marginal Standing Facility - The penal rate at which banks can borrow overnight funds from RBI against approved government securities
(E) Answer not known

4. Which of the following represents the correct chronological sequence of significant banking legislations and frameworks in India?
(A) RBI Act enactment → Foreign Exchange Management Act → Asset Quality Review → Insolvency and Bankruptcy Code
(B) RBI Act enactment → Asset Quality Review → Foreign Exchange Management Act → Insolvency and Bankruptcy Code
(C) Foreign Exchange Management Act → RBI Act enactment → Asset Quality Review → Insolvency and Bankruptcy Code
(D) RBI Act enactment → Foreign Exchange Management Act → Insolvency and Bankruptcy Code → Asset Quality Review
(E) Answer not known

5. Consider the following statements regarding the Monetary Policy Committee (MPC) of India:
I. The Monetary Policy Committee consists of exactly six members.
II. The RBI Governor has a regular vote but does not possess a casting vote in the event of a tie.
III. Three members of the MPC are nominated by the Government of India.
Which of the statements given above is/are correct?
(A) I and III
(B) I and II

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(C) II only
(D) III only
(E) Answer not known

6. Consider the following categories under Priority Sector Lending (PSL) in India:
I. Agriculture
II. Micro, Small and Medium Enterprises (MSME)
III. Large scale heavy industries
IV. Weaker sections
Which of the combinations given above represent the correct categories targeted under PSL?
(A) I, II and III
(B) I, II and IV
(C) I and IV
(D) II and III
(E) Answer not known

7. Which of the following provides the most accurate definition of the Repo Rate in the context of Indian monetary policy?
(A) It is the interest rate at which commercial banking institutions extend credit to the general public for consumption.
(B) It is the specific interest rate at which the Reserve Bank of India absorbs excess liquidity from commercial banks.
(C) It is the penalty interest rate charged by the RBI on scheduled banks that fail to maintain required liquidity ratios.
(D) It is the fixed interest rate at which the Reserve Bank of India provides overnight liquidity to banks against collateral.
(E) Answer not known

8. In which city is the headquarters of the Reserve Bank of India currently located?
(A) Mumbai
(B) New Delhi
(C) Kolkata
(D) Chennai
(E) Answer not known

9. What is the designated target set for the flexible inflation targeting framework monitored by the Monetary Policy Committee?
(A) 3 percent with a tolerance band of +/- 1 percent
(B) 4 percent with a tolerance band of +/- 2 percent
(C) 5 percent with a tolerance band of +/- 2 percent
(D) 4 percent with a tolerance band of +/- 1 percent
(E) Answer not known

10. Which of the following statements is correct regarding the Minimum Reserve System adopted by the Reserve Bank of India for currency issuance?
(A) The RBI must maintain a minimum reserve of ₹200 crore, entirely in gold coin and bullion.
(B) The RBI must maintain a minimum reserve of ₹200 crore, comprising at least ₹115 crore in gold coin and bullion, and the rest in foreign securities.
(C) The RBI must maintain a minimum reserve of ₹500 crore, comprising equal proportions of gold and foreign currency.
(D) The RBI issues currency notes purely on the backing of the Government of India's sovereign guarantee without any reserve requirements.
(E) Answer not known

11. Match List I with List II.
List I: Committees and Acts
P. Jalan Committee
Q. RBI Act, 1935
R. FEMA, 1999
S. IBC, 2016
List II: Areas of Focus
I. Resolution of Non-Performing Assets
II. Economic Capital Framework
III. Foreign Exchange Management
IV. Legal basis for central banking in India
(A) P-II, Q-IV, R-III, S-I
(B) P-IV, Q-II, R-I, S-III
(C) P-II, Q-IV, R-I, S-III
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

12. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Core inflation is often a preferred metric for formulating long-term monetary policy compared to headline inflation.
Reason (R): Core inflation includes the volatile

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prices of food and fuel which accurately reflect immediate consumer pain.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

13. Which of the following pairs is correctly matched regarding the instruments of monetary policy?
(A) Cash Reserve Ratio - Qualitative instrument
(B) Margin Requirements - Quantitative instrument
(C) Bank Rate - Qualitative instrument
(D) Open Market Operations - Quantitative instrument
(E) Answer not known

14. Arrange the following monetary policy rates in ascending order based on their typical hierarchical structure (lowest rate to highest rate):
I. Marginal Standing Facility (MSF) rate
II. Standing Deposit Facility (SDF) rate
III. Repo rate
(A) I, II, III
(B) II, III, I
(C) II, I, III
(D) III, II, I
(E) Answer not known

15. Consider the following functions of the Reserve Bank of India:
I. Banker to the government
II. Regulator and supervisor of banks
III. Direct lender to large corporate houses
IV. Manager of foreign exchange reserves
V. Monopoly issuer of currency notes
Which of the combinations given above is correct?
(A) I, II, III and V
(B) I, II, IV and V
(C) I, III and V
(D) II, IV and V
(E) Answer not known

16. Consider the following statements regarding the Marginal Standing Facility (MSF):
I. MSF allows banks to borrow overnight funds from the RBI at a rate lower than the Repo rate.
II. Banks can dip into their Statutory Liquidity Ratio (SLR) portfolio up to a certain limit to borrow under MSF.
III. MSF acts as a penal rate for banks facing an acute shortage of liquidity.
Which of the statements given above is/are incorrect?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

17. Which of the following statements is incorrect regarding inflation measurement in India?
(A) The Wholesale Price Index (WPI) is monitored by the RBI as the primary nominal anchor for its inflation targeting framework.
(B) The Consumer Price Index (CPI) captures price changes at the retail level for goods and services consumed by households.
(C) The WPI measures the change in the price of goods sold and traded in bulk by wholesale agencies and does not cover services.
(D) Headline inflation reflects the total inflation within an economy, including volatile commodities like food and fuel products.
(E) Answer not known

18. Which of the following is NOT considered a quantitative instrument of monetary policy used by the Reserve Bank of India?
(A) Cash Reserve Ratio
(B) Statutory Liquidity Ratio
(C) Selective Credit Controls
(D) Open Market Operations
(E) Answer not known

19. If the Reserve Bank of India aims to control rising inflationary pressures in the economy, which of the following actions is the most appropriate?
(A) Increasing the Repo rate
(B) Decreasing the Cash Reserve Ratio
(C) Buying government securities in the open market
(D) Decreasing the Marginal Standing Facility

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rate
(E) Answer not known

20. Which of the following statements best describes the difference between the Bank Rate and the Repo Rate?
(A) The Bank Rate is used for overnight lending, whereas the Repo Rate is used for long-term lending.
(B) The Bank Rate requires banks to pledge government securities as collateral, while the Repo Rate does not.
(C) The Bank Rate is determined by the Government of India, whereas the Repo Rate is determined by the Monetary Policy Committee.
(D) The Repo Rate is a short-term lending rate against collateral, whereas the Bank Rate is a long-term rate typically without collateral.
(E) Answer not known

21. Match List I with List II.
List I: Monetary Rates
P. Standing Deposit Facility (SDF)
Q. Marginal Standing Facility (MSF)
R. Bank Rate
S. Reverse Repo Rate
List II: Characteristic Feature
I. Absorption of excess liquidity without collateral
II. Overnight borrowing by banks at a penal rate
III. Discount rate aligned with penalty on reserve defaults
IV. Conventional liquidity absorption with collateral
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-IV, Q-III, R-II, S-I
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

22. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Monetary Policy Committee (MPC) is accountable to the government if inflation remains outside the targeted band for three consecutive quarters.
Reason (R): The MPC consists entirely of RBI officials who must justify their operational failures to the Ministry of Finance.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

23. Which of the following pairs is incorrectly matched regarding digital payments regulation by the RBI?
(A) UPI - Unified Payments Interface facilitating real-time transactions
(B) RTGS - Real Time Gross Settlement used primarily for high-value transactions
(C) NEFT - National Electronic Funds Transfer processing transactions in half-hourly batches
(D) IMPS - Immediate Payment Service designed exclusively for cross-border international remittances
(E) Answer not known

24. Which of the following represents the correct sequence of the monetary policy transmission channels functioning in an economy after a rate cut by the RBI?
(A) Decrease in Repo Rate → Decrease in MCLR/EBLR → Increase in bank credit → Rise in aggregate demand
(B) Increase in bank credit → Decrease in Repo Rate → Decrease in MCLR/EBLR → Rise in aggregate demand
(C) Decrease in Repo Rate → Rise in aggregate demand → Decrease in MCLR/EBLR → Increase in bank credit
(D) Decrease in MCLR/EBLR → Decrease in Repo Rate → Rise in aggregate demand → Increase in bank credit
(E) Answer not known

25. Consider the following statements regarding the External Benchmark Lending Rate (EBLR):
I. It was introduced to ensure faster monetary policy transmission to retail borrowers.
II. Banks can link their lending rates only to the RBI's repo rate and no other external benchmark.
III. It replaced the Marginal Cost of Funds based Lending Rate (MCLR) for specific

categories of loans.
IV. It allows borrowers to benefit immediately when the RBI cuts policy rates.

Which of the combinations given above is correct?
(A) I, II and IV
(B) I, III and IV
(C) II and III
(D) I and IV
(E) Answer not known

26. Consider the following statements about the Prompt Corrective Action (PCA) framework of the RBI:
I. It is designed to rehabilitate weak banks by placing operational restrictions on them.
II. It is triggered only when a bank's Non-Performing Assets (NPAs) cross a specific threshold.
III. It applies to both commercial banks and non-banking financial companies (NBFCs).
IV. A bank under PCA is completely banned from accepting public deposits.
V. It is a tool for maintaining banking sector health and systemic financial stability.

Which of the combinations given above is incorrect?
(A) II, III and V
(B) II, IV and V
(C) I, II, III and V
(D) II, III and IV
(E) Answer not known

27. Which of the following is a distinguishing feature of the Standing Deposit Facility (SDF) introduced by the RBI in 2022?
(A) It allows the RBI to absorb excess liquidity from the banking system without offering collateral.
(B) It requires the RBI to provide government securities as collateral to banks during liquidity absorption.
(C) It provides overnight emergency funds to banks facing severe liquidity crises in the market.
(D) It is a qualitative instrument aimed at directing credit toward specific priority sector lending.
(E) Answer not known

28. What does the term Marginal Cost of Funds based Lending Rate (MCLR) denote in the Indian banking system?
(A) The maximum interest rate that banks are allowed to charge on priority sector loans.
(B) The cost incurred by the RBI to print marginal units of currency.
(C) The internal benchmark rate below which a bank is not permitted to lend.
(D) The mandatory rate at which banks must park their excess funds with the RBI.
(E) Answer not known

29. The Governor of the Reserve Bank of India is appointed by which of the following authorities?
(A) The Central Board of Directors of the RBI
(B) The Monetary Policy Committee
(C) The Chief Justice of India
(D) The Government of India
(E) Answer not known

30. Which of the following components carries the highest weightage in the Wholesale Price Index (WPI) monitored in India?
(A) Primary Articles
(B) Fuel and Power
(C) Manufactured Products
(D) Services
(E) Answer not known

31. Match List I with List II.
List I: Inflation Terminology
P. Headline Inflation
Q. Core Inflation
R. CPI
S. WPI
List II: Definition
I. Excludes food and fuel components
II. Includes all items in the inflation basket
III. Measures price changes at the producer/wholesale level
IV. Measures price changes at the retail consumer level
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-IV, R-I, S-III
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

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32. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Priority Sector Lending (PSL) targets mandate that banks allocate a specific portion of their lending to sectors like agriculture and MSMEs.
Reason (R): These sectors always offer the highest interest margins and lowest default rates for commercial banks.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

33. Which of the following pairs is correctly matched regarding banking sector stress terminologies?
(A) Gross NPA - The absolute amount of non-performing assets before deducting provisions
(B) Net NPA - Total advances minus all priority sector lending
(C) Asset Quality Review - RBI's mechanism to increase the issuance of currency notes
(D) Haircut - The profit a bank makes upon the successful recovery of an NPA
(E) Answer not known

34. Arrange the following lending rate benchmarks in the chronological order of their introduction (earliest to latest):
I. Marginal Cost of Funds based Lending Rate (MCLR)
II. External Benchmark Lending Rate (EBLR)
III. Base Rate system
(A) I, II, III
(B) III, I, II
(C) II, III, I
(D) I, III, II
(E) Answer not known

35. Consider the following statements about the Asset Quality Review (AQR) initiated in 2015:
I. It was aimed at cleaning up the balance sheets of Indian banks by forcing them to accurately recognize non-performing assets.
II. It resulted in a sudden and artificial decrease in the gross NPA ratio of commercial banks.
III. It improved the transparency and systemic health of the banking sector in the long run.
Which of the statements given above is/are correct?
(A) I and II
(B) I and III
(C) II only
(D) III only
(E) Answer not known

36. Consider the following statements regarding the Liquidity Adjustment Facility (LAF):
I. It includes only the Repo Rate operations.
II. It is used by the RBI for daily liquidity management in the banking system.
III. It primarily influences the long-term capital market yields.
IV. It involves buying and selling of government securities on an overnight basis with banks.
Which of the combinations given above is incorrect?
(A) I, II and III
(B) I, III and IV
(C) I and III
(D) II and IV
(E) Answer not known

37. Which of the following statements is correct regarding the Economic Capital Framework and surplus transfer of the RBI?
(A) Section 47 of the RBI Act mandates that the RBI must transfer its entire annual revenue to the government without maintaining any reserves.
(B) The Bimal Jalan Committee was constituted to review the Economic Capital Framework of the RBI.
(C) The RBI transfers its surplus to the government in the form of direct tax payments.
(D) The RBI cannot transfer any surplus to the government as it functions completely independent of state finances.
(E) Answer not known

38. Which of the following statements is incorrect regarding the Foreign Exchange Management Act (FEMA), 1999?
(A) It replaced the draconian Foreign Exchange Regulation Act (FERA).
(B) Its primary objective is to facilitate external

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trade and payments and promote the orderly development of the foreign exchange market.
(C) Under FEMA, foreign exchange offenses are generally treated as criminal offenses rather than civil offenses.
(D) The Reserve Bank of India plays a crucial role in administering the provisions of FEMA.
(E) Answer not known

39. Which of the following sectors is NOT categorized under Priority Sector Lending by the Reserve Bank of India?
(A) Education
(B) Renewable Energy
(C) Social infrastructure
(D) Speculative capital market investments
(E) Answer not known

40. Suppose the Monetary Policy Committee (MPC) reduces the Repo rate by 50 basis points. However, the commercial banks reduce their lending rates by only 10 basis points. This scenario represents an issue primarily associated with which of the following?
(A) Imperfect monetary policy transmission
(B) Fiscal deficit
(C) Balance of payments crisis
(D) Liquidity trap
(E) Answer not known

41. Match List I with List II.
List I: Digital Payment Systems
P. UPI
Q. RTGS
R. NEFT
S. IMPS
List II: Features
I. Half-hourly deferred net settlement
II. Real-time gross settlement for high value transactions
III. Instant mobile-based interface for interoperable payments
IV. Immediate payment service available 24x7 built by NPCI
(A) P-III, Q-II, R-I, S-IV
(B) P-II, Q-III, R-IV, S-I
(C) P-III, Q-I, R-II, S-IV
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

42. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Open Market Operations (OMO) refer to the buying and selling of government securities by the RBI in the open market.
Reason (R): OMO is utilized to adjust the rupee liquidity conditions in the economy on a durable basis.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

43. Which of the following pairs is incorrectly matched regarding banking terminology?
(A) Statutory Liquidity Ratio - Requirement for banks to maintain funds solely in the form of physical gold
(B) Lender of Last Resort - RBI's role in providing liquidity to banks facing severe stress
(C) Clearing House - Facility provided by RBI for the settlement of inter-bank transactions
(D) Moral Suasion - A qualitative tool involving requests or advice by the RBI to commercial banks
(E) Answer not known

44. Which of the following represents the correct sequence of the corporate insolvency resolution process under the Insolvency and Bankruptcy Code (IBC) 2016 for resolving a Non-Performing Asset?
(A) Default by corporate debtor → Admission by NCLT → Constitution of Committee of Creditors → Approval of Resolution Plan
(B) Admission by NCLT → Default by corporate debtor → Approval of Resolution Plan → Constitution of Committee of Creditors
(C) Default by corporate debtor → Constitution of Committee of Creditors → Admission by NCLT → Approval of Resolution Plan
(D) Constitution of Committee of Creditors → Admission by NCLT → Default by corporate debtor → Approval of Resolution Plan
(E) Answer not known

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45. Consider the following statements regarding the Minimum Reserve System of the RBI:
I. It was adopted in 1956.
II. It requires maintaining a minimum reserve of ₹200 crore.
III. Out of the ₹200 crore, exactly ₹115 crore must be in gold coin and bullion.
IV. It replaced the Proportional Reserve System.
V. It places a strict upper limit on the total volume of currency notes the RBI can print.
Which of the combinations given above is correct?
(A) I, II, III and IV
(B) I, II, IV and V
(C) I, III, IV and V
(D) II, III and V
(E) Answer not known

46. Consider the following statements about Ways and Means Advances (WMA):
I. WMA is a facility for both the Central and State governments to borrow from the RBI.
II. These advances are long-term loans provided for a period of five years.
III. The interest rate on WMA is typically linked to the prevailing Repo rate.
Which of the statements given above is/are incorrect?
(A) I and II
(B) I and III
(C) II only
(D) III only
(E) Answer not known

47. Which of the following is a key difference between the Cash Reserve Ratio (CRR) and the Statutory Liquidity Ratio (SLR)?
(A) SLR can be maintained as cash, gold, or approved government securities with the bank itself, whereas CRR must be maintained exclusively as cash with the RBI.
(B) CRR must be maintained exclusively as cash with the RBI, whereas SLR can be maintained as cash, gold, or approved government securities with the bank itself.
(C) Banks earn interest on CRR balances from the RBI, but they do not earn any returns on SLR investments.
(D) An increase in CRR expands money supply, whereas an increase in SLR contracts money supply.
(E) Answer not known

48. What is the primary focus of the Financial Stability Report published biannually by the Reserve Bank of India?
(A) To declare the exact dividend the RBI will pay to the government.
(B) To outline the geopolitical risks facing India's foreign policy.
(C) To announce changes in the repo rate and reverse repo rate.
(D) To assess the resilience of the financial sector and the risks to systemic financial stability.
(E) Answer not known

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49. In the context of the Indian banking system, which of the following precisely defines a Non-Performing Asset (NPA)?
(A) A loan or advance for which the principal or interest payment remains overdue for a period of more than 90 days.
(B) A loan account where the borrower has legally declared bankruptcy.
(C) A loan for which the collateral value drops below the principal amount.
(D) Any loan extended to the agricultural sector that is waived by the government.
(E) Answer not known

50. How many members officially constitute the Monetary Policy Committee (MPC) of India?
(A) Four
(B) Five
(C) Six
(D) Seven
(E) Answer not known

51. Match List I with List II.
List I: Roles of the RBI
P. Monopoly of Note Issue
Q. Banker to the Government
R. Regulator and Supervisor of Banks
S. Foreign Exchange Management
List II: Functions
I. Issuance and management of currency notes
II. Managing Ways and Means Advances
III. Executing provisions of FEMA 1999
IV. Conducting inspections and issuing banking

licenses
(A) P-I, Q-II, R-IV, S-III
(B) P-II, Q-I, R-IV, S-III
(C) P-I, Q-IV, R-II, S-III
(D) P-IV, Q-III, R-I, S-II
(E) Answer not known

52. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Marginal Cost of Funds based Lending Rate (MCLR) was introduced to improve the transmission of policy rates to borrowers.
Reason (R): MCLR calculation strictly incorporates the repo rate as its sole external benchmark.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

53. Which of the following pairs is correctly matched regarding NPA resolution?
(A) Haircut - The additional premium charged by banks for extending risky loans
(B) NCLT - National Company Law Tribunal, the adjudicating authority for corporate insolvency
(C) AQR - A quantitative tool used by RBI to control inflation
(D) PCA - Personal Credit Assessment, a tool for evaluating individual borrowers
(E) Answer not known

54. Arrange the following monetary framework targets from the lowest percentage to the highest percentage according to India's flexible inflation targeting regime:
I. Target inflation rate
II. Upper tolerance limit
III. Lower tolerance limit
(A) III, I, II
(B) II, I, III
(C) I, III, II
(D) III, II, I
(E) Answer not known

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55. Consider the following statements regarding Open Market Operations (OMO):
I. Buying government securities by the RBI injects liquidity into the system.
II. Selling government securities by the RBI absorbs liquidity from the system.
III. OMO affects the cash reserves of commercial banks.
IV. OMO is a qualitative credit control measure.
Which of the combinations given above is correct?
(A) I, II and III
(B) I, II and IV
(C) I, III and IV
(D) II and III
(E) Answer not known

56. Which of the following best describes the RBI's role as a "clearing house"?
(A) It settles claims and counter-claims of commercial banks against each other seamlessly.
(B) It clears physical currency notes that are soiled and mutilated from circulation.
(C) It provides clearance for foreign direct investments into India.
(D) It conducts environmental clearance for large-scale industrial projects.
(E) Answer not known

57. Which of the following statements is correct regarding selective credit controls used by the RBI?
(A) They are applied uniformly across all sectors of the economy without discrimination.
(B) They include margin requirements designed to restrict credit for speculative hoarding of essential commodities.
(C) They are the primary tools used by the Monetary Policy Committee to target headline inflation.
(D) They involve the direct sale of government securities to foreign institutional investors.
(E) Answer not known

58. Which of the following statements is incorrect regarding the Statutory Liquidity Ratio (SLR)?
(A) It requires banks to maintain a certain percentage of their Net Demand and Time Liabilities in liquid assets.
(B) An increase in the SLR mandates banks to

park more funds with the RBI in the form of physical cash.
(C) Approved government securities are a major component of SLR maintenance.
(D) SLR helps ensure the solvency of banks and provides a captive market for government borrowings.
(E) Answer not known

59. Which of the following individuals does NOT hold a voting right in the Monetary Policy Committee (MPC) of India?
(A) The Finance Minister of India
(B) The Governor of the Reserve Bank of India
(C) The Deputy Governor of the RBI in charge of Monetary Policy
(D) A member nominated by the Government of India
(E) Answer not known

60. If the RBI aggressively sells government securities in the open market, what is the most likely immediate impact on the economy?
(A) The money supply will increase, leading to higher inflation.
(B) The Cash Reserve Ratio will automatically decrease.
(C) The lending capacity of commercial banks will decrease, putting upward pressure on interest rates.
(D) The fiscal deficit of the central government will be immediately eliminated.
(E) Answer not known

61. Match List I with List II.
List I: PSL Targets for Domestic Commercial banks
P. Total Priority Sector Target
Q. Agriculture Target
R. Weaker Sections Target
S. Micro Enterprises Target
List II: Percentage of ANBC
I. 18 percent
II. 40 percent
III. 7.5 percent
IV. 12 percent
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-IV, Q-I, R-II, S-III
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

62. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The RBI transfers its surplus income to the Government of India annually.
Reason (R): Section 47 of the RBI Act, 1935 mandates the transfer of surplus after making provisions for bad and doubtful debts, depreciation, and other necessary funds.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

63. Which of the following pairs is incorrectly matched regarding monetary policy tools and their objectives?
(A) Repo Rate - Short-term liquidity injection
(B) Marginal Standing Facility - Long-term developmental lending
(C) Reverse Repo Rate - Short-term liquidity absorption
(D) Open Market Operations - Durable liquidity management
(E) Answer not known

64. Which of the following sequences represents the correct process of currency issuance and distribution by the RBI?
(A) Printing at government presses → RBI Issue Department → Currency Chests → Bank Branches → Public
(B) Printing at government presses → Currency Chests → RBI Issue Department → Bank Branches → Public
(C) RBI Issue Department → Printing at government presses → Bank Branches → Currency Chests → Public
(D) Currency Chests → Printing at government presses → RBI Issue Department → Bank Branches → Public
(E) Answer not known

65. Consider the following statements regarding the Insolvency and Bankruptcy Code (IBC) 2016:
I. It provides a time-bound process for resolving insolvency in companies.
II. The National Company Law Tribunal

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(NCLT) is the adjudicating authority for corporate entities under IBC.
III. It completely prohibits the liquidation of any company to preserve employment.
IV. It gives the Committee of Creditors the ultimate authority to approve a resolution plan.
V. It was introduced to address the twin balance sheet problem involving high corporate debt and bank NPAs.

Which of the combinations given above is incorrect?
(A) I, II and V
(B) I, III and IV
(C) III only
(D) I, IV and V
(E) Answer not known

66. When comparing quantitative and qualitative instruments of monetary policy, which of the following is an accurate distinction?
(A) Quantitative instruments include margin requirements, whereas qualitative instruments include the Bank Rate.
(B) Quantitative instruments are used solely by the government, whereas qualitative instruments are used by the RBI.
(C) Quantitative instruments target the total volume of credit, whereas qualitative instruments channelize credit to specific sectors.
(D) Quantitative instruments have no impact on inflation, whereas qualitative instruments directly reduce the fiscal deficit.
(E) Answer not known

67. Which of the following is a key feature of the Flexible Inflation Targeting (FIT) framework adopted in India?
(A) It aims for a medium-term target for Consumer Price Index (CPI) inflation of 4 percent within a band of +/- 2 percent.
(B) It sets a rigid inflation target of 0 percent to ensure absolute price stability.
(C) It requires the RBI to prioritize economic growth above price stability in all situations.
(D) It makes the Governor the sole decision-maker for policy rates without any committee oversight.
(E) Answer not known

68. The Foreign Exchange Management Act (FEMA) 1999 primarily defines the framework for:
(A) Managing India's domestic inflation.
(B) Regulating priority sector lending quotas for foreign banks.
(C) Criminalizing all minor offenses related to the cross-border movement of currency.
(D) Facilitating external trade and payments and promoting the orderly development and maintenance of the foreign exchange market in India.
(E) Answer not known

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69. In which year did the Reserve Bank of India initiate the comprehensive Asset Quality Review (AQR) to compel banks to recognize stressed assets?
(A) 2008
(B) 2012
(C) 2015
(D) 2020
(E) Answer not known

70. How are decisions regarding the policy repo rate finalized within the Monetary Policy Committee (MPC)?
(A) By a unanimous vote of all six members.
(B) By the sole discretion of the RBI Governor, ignoring the other members.
(C) By a majority vote of the members present and voting, with the Governor having a second or casting vote in case of a tie.
(D) By the direction of the Ministry of Finance.
(E) Answer not known

71. Match List I with List II.
List I: Monetary Policy Actions
P. Increase in Repo Rate
Q. Decrease in CRR
R. RBI buying securities (OMO)
S. Increase in Margin Requirements
List II: Impact
I. Restricts credit to specific speculative sectors
II. Expands money supply and lowers interest rates
III. Injects durable liquidity into the banking system
IV. Increases borrowing costs and contracts money supply

(A) P-IV, Q-II, R-III, S-I
(B) P-II, Q-IV, R-I, S-III
(C) P-IV, Q-III, R-II, S-I
(D) P-I, Q-II, R-IV, S-III
(E) Answer not known

72. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Financial Stability Report (FSR) reflects the collective assessment of the Sub-Committee of the Financial Stability and Development Council (FSDC) on risks to financial stability.
Reason (R): The FSR is published entirely by the Ministry of Finance without any inputs from the RBI.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

73. Which of the following pairs is correctly matched regarding RBI committees?
(A) Urjit Patel Committee - Recommending the abolition of the RBI
(B) Bimal Jalan Committee - Economic Capital Framework and Surplus Transfer
(C) Narasimham Committee - Designing the Unified Payments Interface (UPI)
(D) Shanta Kumar Committee - Restructuring the Monetary Policy Committee
(E) Answer not known

74. Arrange the following digital payment systems in the chronological order of their introduction (earliest to latest):
I. National Electronic Funds Transfer (NEFT)
II. Unified Payments Interface (UPI)
III. Real Time Gross Settlement (RTGS)
(A) I, III, II
(B) III, I, II
(C) II, I, III
(D) I, II, III
(E) Answer not known

75. Consider the following statements regarding digital payments regulation by the RBI:
I. The RBI has absolute regulatory oversight over payment systems in India under the Payment and Settlement Systems Act, 2007.
II. UPI was developed by the National Payments Corporation of India (NPCI), an initiative led by the RBI and IBA.
III. RTGS operates strictly on a deferred net settlement basis to save server costs.
Which of the statements given above is/are correct?
(A) I and II
(B) I and III
(C) II only
(D) III only
(E) Answer not known

76. Which of the following statements correctly identifies the functioning of the "balance sheet channel" of monetary transmission?
(A) The RBI physically alters the balance sheets of commercial banks during annual audits.
(B) It refers to the transmission of inflation data from the Ministry of Statistics to the RBI.
(C) Changes in policy rates affect the net worth and cash flows of firms, altering their borrowing capacity and banks' willingness to lend.
(D) The government injects capital into public sector banks to clean up their balance sheets.
(E) Answer not known

77. Which of the following statements is incorrect regarding the Central Board of the Reserve Bank of India?
(A) The general superintendence and direction of the RBI's affairs are vested in the Central Board of Directors.
(B) It includes official directors comprising the Governor and up to four Deputy Governors.
(C) Non-official directors are nominated by the Government of India.
(D) The Governor has the unilateral power to dissolve the Central Board at any time.
(E) Answer not known

78. Which of the following is NOT a function performed by the RBI in its capacity as the "Banker to Banks"?
(A) Serving as the lender of last resort for commercial banks.

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(B) Maintaining the cash reserves of commercial banks.
(C) Accepting demand deposits directly from the general public.
(D) Providing a clearing house facility for inter-bank transaction settlement.
(E) Answer not known

79. If the Consumer Price Index (CPI) inflation crosses 6 percent for three consecutive quarters, what action is the Monetary Policy Committee (MPC) mandated to take?
(A) Dissolve itself and hand over monetary policy decisions to the Finance Minister.
(B) Submit a report to the Government of India explaining the failure, proposing remedial actions, and an estimated time period to achieve the target.
(C) Immediately increase the Cash Reserve Ratio to 15 percent.
(D) Replace the CPI with the Wholesale Price Index (WPI) as the nominal anchor.
(E) Answer not known

80. When comparing Headline Inflation and Core Inflation, which of the following statements is true?
(A) Headline inflation excludes food and fuel prices, whereas core inflation includes them.
(B) Core inflation exhibits higher volatility on a month-on-month basis compared to headline inflation.
(C) The RBI uses core inflation as its sole legal target under the flexible inflation targeting framework.
(D) Headline inflation captures overall price rises, while core inflation removes volatile food and energy sectors to show underlying pressure.
(E) Answer not known

81. Match List I with List II.
List I: Financial Terminology
P. Haircut
Q. Lender of Last Resort
R. Ways and Means Advances
S. Systemic Risk
List II: Definition
I. RBI providing emergency liquidity to banks
II. Short-term borrowing mechanism for governments
III. The risk of collapse of the entire financial system
IV. The loss absorbed by lenders during debt resolution
(A) P-IV, Q-I, R-II, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-IV, Q-II, R-I, S-III
(D) P-II, Q-III, R-IV, S-I
(E) Answer not known

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82. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The credit channel of monetary transmission suggests that an increase in repo rate reduces the amount of bank loans available in the economy.
Reason (R): Higher policy rates increase the cost of funds for banks, prompting them to raise lending rates, which dampens credit demand.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

83. Which of the following pairs is incorrectly matched regarding Priority Sector Lending (PSL) categories?
(A) Corporate Restructuring - Loans provided for the merger and acquisition of large telecom companies
(B) Agriculture - Farm credit, agriculture infrastructure, and ancillary activities
(C) Education - Loans to individuals for educational purposes including vocational courses
(D) Housing - Loans up to a certain limit for purchase/construction of a dwelling unit
(E) Answer not known

84. Which of the following sequences represents the correct escalating interventions under the RBI's Prompt Corrective Action (PCA) framework?
(A) Restriction on dividend distribution → Restriction on branch expansion → Restriction on management compensation
(B) Restriction on management compensation

→ Restriction on dividend distribution → Restriction on branch expansion
(C) Restriction on branch expansion → Restriction on management compensation → Restriction on dividend distribution
(D) Restriction on dividend distribution → Restriction on management compensation → Restriction on branch expansion
(E) Answer not known

85. Consider the following statements regarding the RBI Act, 1935:
I. It provides the statutory basis for the functioning of the RBI.
II. It was heavily amended in 2016 to provide a statutory framework for the Monetary Policy Committee.
III. It stipulates that the RBI must be a wholly privately-owned institution forever.
IV. It outlines the management structure including the Central Board of Directors.
Which of the combinations given above is incorrect?
(A) I, II and IV
(B) I, III and IV
(C) I and IV
(D) III only
(E) Answer not known

86. Which of the following is a primary feature of the National Company Law Tribunal (NCLT) in the context of the banking sector?
(A) It acts as the primary agency for printing currency notes in India.
(B) It sets the targets for priority sector lending for commercial banks.
(C) It functions as the adjudicating authority for the insolvency resolution process of corporate debtors under the IBC.
(D) It manages the foreign exchange reserves on behalf of the RBI.
(E) Answer not known

87. Which of the following statements provides the precise definition of the Bank Rate under Section 49 of the RBI Act?
(A) It is the interest rate at which retail customers can borrow personal loans from public sector banks.
(B) It is the average interest rate offered by commercial banks on fixed deposits and savings accounts.
(C) It is the exact rate of inflation measured by the Consumer Price Index for the current fiscal year.
(D) It is the standard rate at which the RBI is prepared to buy or rediscount eligible bills of exchange.
(E) Answer not known

88. Under which Section of the Reserve Bank of India Act is the RBI required to transfer its surplus profit to the Central Government?
(A) Section 7
(B) Section 24
(C) Section 47
(D) Section 49
(E) Answer not known

89. In which year did the Reserve Bank of India introduce the Standing Deposit Facility (SDF) to absorb liquidity without the need for collateral?
(A) 2014
(B) 2016
(C) 2020
(D) 2022
(E) Answer not known

90. Which of the following statements correctly identifies the rationale behind adopting the Minimum Reserve System by the RBI in 1956?
(A) To strictly link the volume of currency to the exact amount of gold held, curbing inflation permanently.
(B) To facilitate the expansion of currency supply required for the developmental needs of the economy, overcoming the inflexibility of the Proportional Reserve System.
(C) To allow foreign central banks to dictate India's monetary policy.
(D) To eliminate the issuance of paper currency and return to a gold standard.
(E) Answer not known

91. Match List I with List II.
List I: Inflation Indices Features
P. CPI Base Year
Q. WPI Base Year
R. Core Inflation feature
S. Headline Inflation feature
List II: Specification
I. Excludes volatile items

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II. 2012
III. 2011-12
IV. Includes food and fuel
(A) P-II, Q-III, R-I, S-IV
(B) P-III, Q-II, R-IV, S-I
(C) P-II, Q-III, R-IV, S-I
(D) P-I, Q-IV, R-II, S-III
(E) Answer not known

92. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The RBI serves as the "Lender of Last Resort" for commercial banks in India.
Reason (R): The RBI provides priority sector loans to farmers during agricultural distress.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

93. Which of the following pairs is correctly matched regarding the RBI's developmental and institutional roles?
(A) Institution Building - Dismantling regional rural banks to consolidate the banking sector
(B) Ways and Means Advances - A grant provided by the RBI for state governments' infrastructure projects
(C) Prompt Corrective Action - Relaxing regulatory norms to encourage banks to lend aggressively
(D) Financial Inclusion - Ensuring banking services reach the unbanked and weaker sections at an affordable cost
(E) Answer not known

94. Arrange the following events related to the RBI and monetary policy in chronological order (earliest to latest):
I. Nationalisation of the Reserve Bank of India
II. Introduction of the Flexible Inflation Targeting framework
III. Transition to the Minimum Reserve System
(A) I, III, II
(B) III, I, II
(C) I, II, III
(D) II, I, III
(E) Answer not known

95. Consider the following developmental roles played by the Reserve Bank of India:
I. Promotion of financial inclusion
II. Mandating priority sector lending
III. Building specialized financial institutions
IV. Regulating non-banking financial companies
V. Providing direct subsidies to farmers
Which of the combinations given above is correct?
(A) I, II, III and IV
(B) I, II, IV and V
(C) I, III and V
(D) II, IV and V
(E) Answer not known

96. Which of the following statements is incorrect regarding Gross and Net Non-Performing Assets (NPAs)?
(A) Gross NPA is the total of all loan assets that are classified as non-performing as per guidelines.
(B) Net NPA is calculated by deducting provisioning made by the bank from the Gross NPA.
(C) Gross NPA will always be equal to or higher than Net NPA.
(D) A high Net NPA ratio indicates that the bank has made sufficient provisions to cover its bad loans.
(E) Answer not known

97. Which of the following is NOT an exception excluded when calculating core inflation from headline inflation?
(A) Manufactured goods prices
(B) Food prices
(C) Energy and fuel prices
(D) Volatile primary articles
(E) Answer not known

98. If the RBI decides to increase the reverse repo rate significantly, what will be the most appropriate consequence on commercial banks?
(A) Banks will be discouraged from parking their excess funds with the RBI.
(B) Banks will automatically increase their lending to the priority sector to avoid

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penalties.
(C) Banks will have an incentive to park more excess liquidity with the RBI, reducing funds available for lending to the public.
(D) Banks will decrease their lending rates for retail housing loans.
(E) Answer not known

99. When comparing RTGS and NEFT systems regulated by the RBI, which of the following is a key operational difference?
(A) RTGS settles transactions continuously on an individual, order-by-order basis, whereas NEFT settles transactions in half-hourly batches.
(B) RTGS is used exclusively for international remittances, whereas NEFT is used for domestic transfers.
(C) RTGS has a maximum limit of ₹2 lakh, whereas NEFT has no maximum limit.
(D) RTGS operates on a paper-based clearing mechanism, whereas NEFT is entirely electronic.
(E) Answer not known

100. Which of the following best describes the key feature of Ways and Means Advances (WMA)?
(A) It is a permanent financial grant given by the RBI to state governments to waive farm loans.
(B) It is the long-term borrowing by the government from the World Bank, routed through the RBI.
(C) It is a qualitative monetary tool used to control credit flowing into the stock market.
(D) It is a temporary overdraft facility provided by the RBI to bridge temporary mismatches in the receipts and payments of the government.
(E) Answer not known

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ANSWERS

1. (A) P-II, Q-IV, R-I, S-III
The Reserve Bank of India was established in 1935 under the RBI Act and nationalised in 1949 to facilitate government control. The Foreign Exchange Management Act was enacted in 1999 to simplify exchange regulations. The Insolvency and Bankruptcy Code was introduced in 2016 to streamline corporate insolvency and improve the credit market.

2. (A) Both A and R are true and R is the correct explanation of A.
Ways and Means Advances serve as a temporary credit facility provided by the central bank to the government. This mechanism allows the government to meet immediate expenditure requirements when there are short-term gaps between revenue receipts and payments. Because the facility addresses temporary cash flow mismatches effectively, the reason perfectly justifies why the central bank provides such advances.

3. (A) Reverse Repo Rate - The tool used by RBI to inject liquidity into the banking system
Monetary policy instruments serve different liquidity functions. The repo rate is used to inject liquidity into the banking system, whereas the reverse repo rate is designed to absorb excess liquidity. Cash reserve ratios and marginal standing facilities are quantitative tools that manage money supply and provide emergency funding, but the reverse repo rate specifically drains money from banks.

4. (A) RBI Act enactment → Foreign Exchange Management Act → Asset Quality Review → Insolvency and Bankruptcy Code
The Reserve Bank of India Act was enacted in 1934 to provide the statutory basis for central banking. Decades later, the Foreign Exchange Management Act was passed in 1999. In 2015, the Asset Quality Review was initiated to identify bad loans, followed by the Insolvency and Bankruptcy Code in 2016 to resolve corporate insolvency issues efficiently.

5. (A) I and III
The Monetary Policy Committee is a statutory body consisting of six members, with three representing the central bank and three nominated by the government. Decisions are made by majority vote. While each member has one vote, the governor possesses a second casting vote to resolve any ties. This structure ensures balanced perspectives while maintaining institutional leadership during deadlocks.

6. (B) I, II and IV
Priority Sector Lending is designed to ensure that credit flows to vital sectors of the economy that may lack adequate institutional funding. This framework specifically targets agriculture, micro, small and medium enterprises, and weaker sections of society. Large-scale heavy industries do not fall under this category as they typically have easier access to various credit markets.

7. (D) It is the fixed interest rate at which the Reserve Bank of India provides overnight liquidity to banks against collateral.
The repo rate is a key policy rate used for short-term liquidity management. It represents the interest rate at which the central bank lends money to commercial banks against the collateral of government securities. This tool allows banks to meet their immediate cash requirements while enabling the regulator to control the overall money supply and inflation levels.

8. (A) Mumbai
The central bank of India maintains its principal office where the governor and the central board of directors meet. Although it was initially established in Kolkata in 1935, the headquarters was permanently shifted to Mumbai in 1937. Today, it serves as the primary hub for managing the country's monetary policy, banking regulation, and currency issuance operations.

9. (B) 4 percent with a tolerance band of +/- 2 percent
India adopted a flexible inflation targeting framework to maintain price stability while

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supporting economic growth. Under this regime, the target for consumer price index inflation is set at four percent. A tolerance band allows for a range between two and six percent, providing the monetary policy committee with the necessary flexibility to respond to various economic shocks.

10. (B) The RBI must maintain a minimum reserve of ₹200 crore, comprising at least ₹115 crore in gold coin and bullion, and the rest in foreign securities.
The central bank follows a specific reserve system for currency issuance to ensure stability and public confidence. Under the current minimum reserve system, the institution must maintain assets worth at least two hundred crore rupees. This reserve must include gold coin and bullion valued at minimum one hundred fifteen crore rupees, with the remainder held in foreign securities.

11. (A) P-II, Q-IV, R-III, S-I
Different legal frameworks and committees address specific banking challenges. The Bimal Jalan Committee focused on the economic capital framework. The RBI Act provides the legal foundation for central banking. The Foreign Exchange Management Act regulates external trade and exchange markets. The Insolvency and Bankruptcy Code offers a structured mechanism for resolving stressed assets and non-performing assets in banks.

12. (C) A is true but R is false.
Core inflation is preferred for long-term policy formulation because it excludes volatile components like food and fuel, revealing underlying price trends. However, the claim that core inflation includes these volatile items is factually incorrect. Headline inflation is the measure that incorporates all items in the basket, reflecting the actual price changes and immediate pressures faced by consumers.

13. (D) Open Market Operations - Quantitative instrument
Monetary policy tools are categorized based on their impact on the economy. Open market operations involve the purchase and sale of government securities to regulate durable liquidity, making them a quantitative instrument. In contrast, tools like cash reserve ratios and bank rates are also quantitative, while qualitative instruments like margin requirements focus on the direction and use of credit.

14. (C) II, I, III
The policy rate corridor is structured to manage liquidity effectively within the banking system. The standing deposit facility rate serves as the floor for liquidity absorption, usually lower than the repo rate. The repo rate acts as the central policy rate for lending. The marginal standing facility rate sits at the top, functioning as a penal borrowing rate.

15. (B) I, II, IV and V
The central bank performs several crucial roles, including acting as the banker to the government, regulating the banking sector, managing foreign exchange, and issuing currency. However, it does not act as a direct lender to large corporate houses. Commercial banks and specialized financial institutions handle corporate lending, while the regulator focuses on systemic stability and monetary policy.

16. (C) I only
The marginal standing facility provides an emergency window for banks to borrow funds overnight from the regulator. Contrary to the idea of low-cost borrowing, this facility carries a rate higher than the policy repo rate. Banks can use their statutory liquidity ratio portfolio as collateral within certain limits to meet acute liquidity shortages, which acts as a penal rate.

17. (A) The Wholesale Price Index (WPI) is monitored by the RBI as the primary nominal anchor for its inflation targeting framework.
Inflation measurement in India involves multiple indices with different purposes. While the consumer price index captures retail level changes and serves as the primary nominal anchor for monetary policy, the wholesale price index focuses on bulk trade. The claim that the wholesale price index is the primary anchor for inflation targeting is incorrect, as the regulator prioritizes retail inflation.

18. (C) Selective Credit Controls
Quantitative instruments like the cash reserve ratio, statutory liquidity ratio, and open market operations manage the total volume of money in

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the economy. Selective credit controls, however, are qualitative tools. These are designed to influence the direction of credit to specific sectors or prevent speculative hoarding, rather than adjusting the overall liquidity available in the banking system.

19. (A) Increasing the Repo rate
To combat rising inflationary pressures, the central bank aims to reduce the money supply and dampen demand. Increasing the repo rate makes borrowing more expensive for commercial banks, which then pass on higher rates to consumers and businesses. This contractionary measure discourages spending and investment, effectively slowing down the pace of price increases across the overall economy.

20. (D) The Repo Rate is a short-term lending rate against collateral, whereas the Bank Rate is a long-term rate typically without collateral.
The bank rate and repo rate differ in terms of duration and collateral requirements. The repo rate is a short-term lending rate used for overnight liquidity, requiring banks to pledge government securities. Conversely, the bank rate is a long-term rate at which the regulator rediscounts bills of exchange, typically without the requirement of specific collateralized security agreements.

21. (A) P-I, Q-II, R-III, S-IV
Different liquidity facilities have unique characteristics. The standing deposit facility allows for collateral-free liquidity absorption. The marginal standing facility provides overnight funds at a penal rate. The bank rate serves as a discount rate often aligned with penalties. The reverse repo rate is a traditional tool for absorbing excess cash where the central bank provides securities to commercial banks.

22. (C) A is true but R is false.
The monetary policy committee is held accountable if inflation targets are missed for three consecutive quarters, requiring a report to the government. However, the claim that the committee consists entirely of central bank officials is incorrect. It comprises three internal members and three external members nominated by the government to ensure a diverse range of expertise and perspectives.

23. (D) IMPS - Immediate Payment Service designed exclusively for cross-border international remittances
Digital payment systems in India are tailored for different transaction needs. Unified payments interface enables real-time mobile transfers, while real-time gross settlement handles high-value institutional payments. National electronic funds transfer processes smaller transactions in batches. The immediate payment service facilitates instant domestic transfers, but it was not designed exclusively for cross-border international remittances as suggested in the incorrect pair.

24. (A) Decrease in Repo Rate → Decrease in MCLR/EBLR → Increase in bank credit → Rise in aggregate demand
Monetary policy transmission involves a series of steps through which central bank actions influence the economy. When the policy repo rate is reduced, commercial banks ideally lower their internal and external lending benchmarks. This decrease in borrowing costs leads to an increase in bank credit, which subsequently stimulates aggregate demand and promotes overall economic activity and growth.

25. (B) I, III and IV
The external benchmark lending rate was introduced to improve the transparency and speed of monetary policy transmission. It replaced previous internal systems for specific loan categories, ensuring that retail borrowers benefit immediately from rate cuts. While the repo rate is a common benchmark, banks are also permitted to use other external instruments like treasury bill yields as benchmarks.

26. (D) II, III and IV
The prompt corrective action framework monitors bank health using various indicators including capital, asset quality, and leverage. It is not triggered solely by non-performing assets. While it imposes operational restrictions, it does not always completely ban public deposits. The framework primarily aims to restore the financial health of struggling institutions and ensure systemic stability through timely regulatory intervention.

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27. (A) It allows the RBI to absorb excess liquidity from the banking system without offering collateral.
The standing deposit facility is an innovative tool used by the central bank for liquidity management. Its distinguishing feature is the ability to absorb excess funds from commercial banks without the need for providing government securities as collateral. This provides the regulator with greater flexibility in managing liquidity during periods of high surplus without being constrained by collateral availability.

28. (C) The internal benchmark rate below which a bank is not permitted to lend.
The marginal cost of funds based lending rate is an internal benchmark used by banks to determine interest rates for various loans. It reflects the minimum rate at which a bank can lend, calculated based on the incremental cost of raising new funds. This system was designed to ensure that lending rates are more sensitive to policy rate changes.

29. (D) The Government of India
The leadership of the central bank is determined through a formal appointment process by the central government. The governor and deputy governors are selected based on their expertise in economics and finance. This ensures that the institution remains aligned with national economic objectives while maintaining its functional autonomy in regulating the financial system and implementing various monetary policies.

30. (C) Manufactured Products
The wholesale price index measures the change in prices of goods sold in bulk. It is composed of three major groups: primary articles, fuel and power, and manufactured products. Among these, manufactured products carry the highest weightage, reflecting their significant role in the industrial sector and the broader economy when tracking wholesale level price movements and inflation.

31. (A) P-II, Q-I, R-IV, S-III
Inflation terminology helps distinguish between different price measurement methods. Headline inflation includes all items in the basket, while core inflation removes volatile food and energy costs. The consumer price index tracks price changes at the retail level for household consumption. The wholesale price index focuses on goods traded in bulk at the producer or wholesale stage of the economy.

32. (C) A is true but R is false.
Priority sector lending mandates require banks to dedicate a portion of their credit to essential sectors like agriculture. While these targets aim to promote inclusive growth, the claim that these sectors always offer the highest interest margins and lowest default rates is incorrect. In fact, these sectors often involve higher risks and social objectives rather than purely profit-driven motives.

33. (A) Gross NPA - The absolute amount of non-performing assets before deducting provisions
Banking stress is measured through various asset quality indicators. Gross non-performing assets represent the total value of loans that are past due, before any deductions for provisions. Net non-performing assets are calculated by subtracting those provisions from the gross figure. Accurate reporting of these metrics is essential for assessing the financial stability and risk profile of commercial banks.

34. (B) III, I, II
Lending rate benchmarks have evolved to improve transparency and policy transmission. The base rate system was introduced first to replace the previous prime lending rate. This was followed by the marginal cost of funds based lending rate in 2016. Finally, the external benchmark lending rate was implemented in 2019 to link bank rates more directly to external market indicators.

35. (B) I and III
The asset quality review was a critical regulatory initiative launched to ensure that banks accurately reflected the state of their loan portfolios. By enforcing stricter recognition of bad loans, it initially led to a sharp increase in reported non-performing assets. Ultimately, this transparency improved the long-term systemic health and credibility of the banking sector by identifying underlying stresses.

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36. (C) I and III
The liquidity adjustment facility is a vital tool for daily cash management in the banking system. It consists of multiple operations, including repo and reverse repo or standing deposit facility transactions. These tools primarily influence short-term interest rates rather than long-term capital market yields. They allow the regulator to manage liquidity imbalances efficiently by adjusting funds available to banks.

37. (B) The Bimal Jalan Committee was constituted to review the Economic Capital Framework of the RBI.
The economic capital framework determines the appropriate level of reserves the central bank should maintain. The Bimal Jalan Committee was established to review this framework and recommend the amount of surplus that could be safely transferred to the government. This ensured a balanced approach between maintaining the institution's financial resilience and contributing to the national fiscal requirements.

38. (C) Under FEMA, foreign exchange offenses are generally treated as criminal offenses rather than civil offenses.
The Foreign Exchange Management Act of 1999 modernized exchange regulations by shifting the focus from regulation to management. Unlike the previous legislation, which treated violations as criminal offenses, this act generally classifies foreign exchange offenses as civil matters. This change was intended to facilitate smoother external trade and encourage foreign investment by providing a less punitive regulatory environment.

39. (D) Speculative capital market investments
Priority sector lending is strictly focused on sectors that contribute to social and economic development and require institutional support. This includes agriculture, education, housing, and renewable energy. Speculative capital market investments are excluded from these mandates as they involve high risk and do not align with the goals of inclusive growth and development targeted by the regulator.

40. (A) Imperfect monetary policy transmission
When the central bank reduces policy rates, the intended effect is for commercial banks to lower their lending rates for consumers. If banks fail to pass on the full benefit of these cuts, it indicates a bottleneck in the financial system. This phenomenon is known as imperfect monetary policy transmission, which limits the effectiveness of monetary stimulus on the economy.

41. (A) P-III, Q-II, R-I, S-IV
India has a diverse range of digital payment systems managed by the central bank and the national payments corporation. The unified payments interface provides a mobile-based interoperable platform. Real-time gross settlement is used for high-value transactions. National electronic funds transfer processes payments in batches, while the immediate payment service offers 24x7 instant fund transfers for retail customers.

42. (A) Both A and R are true and R is the correct explanation of A.
Open market operations involve the central bank transacting in government securities with market participants. These operations are a quantitative tool used to manage the money supply on a durable basis. By buying securities, the regulator injects liquidity into the banking system, while selling them absorbs excess cash. This reason perfectly explains why the regulator conducts these market-based transactions.

43. (A) Statutory Liquidity Ratio - Requirement for banks to maintain funds solely in the form of physical gold
The statutory liquidity ratio is a requirement for banks to maintain a portion of their deposits in liquid assets. While gold can be a part of this reserve, banks are also allowed to hold funds in the form of cash and approved government securities. The suggestion that it must be maintained solely in physical gold is an incorrect characterization.

44. (A) Default by corporate debtor → Admission by NCLT → Constitution of Committee of Creditors → Approval of Resolution Plan
The insolvency resolution process follows a structured legal timeline to ensure efficiency. It begins when a corporate debtor defaults on its obligations. Once the national company law tribunal admits the case, a committee

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of creditors is formed to oversee the process. Finally, a resolution plan is developed and must be approved to settle the outstanding debts and avoid liquidation.

45. (A) I, II, III and IV
The minimum reserve system replaced the previous proportional system to provide greater flexibility in issuing currency for economic development. It requires the central bank to maintain a total reserve of two hundred crore rupees, with at least one hundred fifteen crore in gold. Crucially, this system does not impose a strict upper limit on the total volume of currency printed.

46. (C) II only
Ways and means advances are designed as a temporary liquidity support mechanism for the government. These are short-term loans intended to bridge immediate cash flow gaps and are not long-term credit facilities spanning several years. The interest rate for these advances is linked to the policy repo rate, ensuring that the cost of borrowing remains aligned with monetary policy.

47. (A) SLR can be maintained as cash, gold, or approved government securities with the bank itself, whereas CRR must be maintained exclusively as cash with the RBI.
The cash reserve ratio and statutory liquidity ratio are distinct quantitative tools used by the regulator. The cash reserve ratio must be held entirely in cash with the central bank. In contrast, the statutory liquidity ratio can be maintained by the banks themselves in the form of cash, gold, or approved government securities, providing them with more flexible asset options.

48. (D) To assess the resilience of the financial sector and the risks to systemic financial stability.
The financial stability report is a biannual publication that provides an overview of the health of the country's financial system. Its primary focus is to assess the resilience of the banking and non-banking sectors and identify potential risks to systemic stability. This helps policymakers and market participants understand the vulnerabilities and strengths of the broader financial environment.

49. (A) A loan or advance for which the principal or interest payment remains overdue for a period of more than 90 days.
In the context of banking regulation, a non-performing asset is specifically defined by the duration of payment default. A loan or advance is classified as non-performing when the principal or interest payment remains overdue for more than ninety days. This classification helps in monitoring the quality of bank assets and ensures that appropriate provisioning is made for potential losses.

50. (C) Six
The statutory body responsible for determining the policy repo rate is composed of exactly six members. This group includes three internal representatives from the central bank and three external members appointed by the government. This balanced composition is designed to bring together diverse expertise and ensure that monetary policy decisions are made through a collaborative and transparent voting process.

51. (A) P-I, Q-II, R-IV, S-III
The central bank performs diverse roles that are fundamental to the economy. It holds the monopoly on note issuance and manages the government's cash through ways and means advances. As a regulator, it conducts inspections and issues licenses to ensure banking health. Additionally, it manages foreign exchange by executing the provisions of the foreign exchange management act of 1999.

52. (C) A is true but R is false.
The marginal cost of funds based lending rate was introduced to improve the sensitivity of bank lending rates to policy changes. While it was a step toward better transmission, the reason is incorrect because the calculation does not use the repo rate as its sole benchmark. It also considers other factors like operating costs and the tenor premium of the loans.

53. (B) NCLT - National Company Law Tribunal, the adjudicating authority for corporate insolvency
Resolving stressed assets in the banking sector involves specific legal and regulatory frameworks. The national company law tribunal serves as the primary adjudicating authority for the insolvency resolution process of corporate entities. While

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other terms like haircuts refer to losses absorbed by lenders, the tribunal provides the necessary legal structure to manage defaults and facilitate the restructuring of corporate debt.

54. (A) III, I, II
The flexible inflation targeting regime in India is defined by a specific numerical range to guide monetary policy. The lower tolerance limit is set at two percent, representing the minimum acceptable inflation. The central target is four percent, while the upper tolerance limit is six percent. This structure allows the policy committee to balance price stability with economic growth needs.

55. (A) I, II and III
Open market operations are a fundamental quantitative tool used to regulate the money supply. By buying government securities, the central bank injects liquidity, whereas selling them absorbs excess cash. These transactions directly impact the cash reserves of commercial banks. Unlike qualitative measures that target specific sectors, these operations influence the overall volume of money and interest rates in the economy.

56. (A) It settles claims and counter-claims of commercial banks against each other seamlessly.
In its role as a clearing house, the central bank facilitates the settlement of inter-bank transactions. This involves balancing and finalizing the claims and counter-claims that different commercial banks have against each other. This centralized system ensures that large volumes of payments are settled efficiently and safely, maintaining the stability and integrity of the overall national payment and settlement infrastructure.

57. (B) It include margin requirements designed to restrict credit for speculative hoarding of essential commodities.
Selective credit controls are qualitative instruments used to influence the flow of credit to specific sectors. One common application is the setting of margin requirements to discourage the speculative hoarding of essential commodities. Unlike quantitative tools that affect the total money supply, these measures allow the regulator to address specific imbalances or inflationary pressures in particular segments of the economy.

58. (B) An increase in the SLR mandates banks to park more funds with the RBI in the form of physical cash.
The statutory liquidity ratio requires banks to maintain a certain level of liquid assets, such as government securities and gold. Increasing this ratio mandates that banks hold more of these assets on their own balance sheets, rather than parking them as cash with the central bank. This ensures bank solvency while providing a stable source of funding for government borrowing needs.

59. (A) The Finance Minister of India
The monetary policy committee is designed to be an independent body for making interest rate decisions. While it includes members nominated by the government, the finance minister does not hold a seat or a voting right on this committee. This separation ensures that monetary policy is conducted based on economic data and stability goals rather than direct political or fiscal pressures.

60. (C) The lending capacity of commercial banks will decrease, putting upward pressure on interest rates.
When the central bank sells government securities in the open market, it absorbs liquidity from the banking system. This reduction in the cash reserves of commercial banks decreases their overall lending capacity. As the supply of loanable funds shrinks, there is typically upward pressure on interest rates, making borrowing more expensive for businesses and consumers throughout the entire economy.

61. (A) P-II, Q-I, R-IV, S-III
Domestic commercial banks are required to meet specific priority sector lending targets expressed as a percentage of their adjusted net bank credit. The total target is forty percent, with eighteen percent dedicated to agriculture. Additionally, specific sub-targets are set for weaker sections at twelve percent and micro enterprises at seven and a half percent to ensure inclusive financial growth.

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62. (A) Both A and R are true and R is the correct explanation of A.
The central bank generates income from its various operations and manages its expenses and reserves. According to the legal provisions of the central banking act, the institution is required to transfer its surplus profits to the national government. This transfer occurs after the necessary provisions for contingencies, depreciation, and bad debts have been made, as specified in the law.

63. (B) Marginal Standing Facility - Long-term developmental lending
Monetary policy tools have specific operational roles. The repo rate and reverse repo rate manage short-term liquidity, while open market operations handle durable liquidity. The marginal standing facility is an overnight window for banks facing an acute cash shortage, making it a short-term liquidity tool. Labeling it as a long-term developmental lending instrument is an incorrect description of its function.

64. (A) Printing at government presses → RBI Issue Department → Currency Chests → Bank Branches → Public
The distribution of currency follows a specific logistical path. Notes are first produced at government presses and then received by the issue department of the central bank. From there, they are sent to currency chests located across the country. These chests supply local bank branches, which finally distribute the physical currency to the general public for daily transactions.

65. (C) III only
The insolvency and bankruptcy code was introduced to provide a time-bound and efficient resolution process for corporate debt. It empowers a committee of creditors to approve resolution plans and uses the national company law tribunal for adjudication. While the primary goal is resolution, the code does not prohibit liquidation; it allows for it if a viable resolution plan is not achieved.

66. (C) Quantitative instruments target the total volume of credit, whereas qualitative instruments channelize credit to specific sectors.
Quantitative instruments are designed to regulate the overall volume of credit and money supply in the economy. In contrast, qualitative instruments, also known as selective credit controls, focus on directing the flow of credit toward specific sectors or purposes. This distinction allows the central bank to manage both the general economic environment and targeted sectoral imbalances simultaneously for better stability.

67. (A) It aims for a medium-term target for Consumer Price Index (CPI) inflation of 4 percent within a band of +/- 2 percent.
Flexible inflation targeting is a policy framework that sets a clear numerical target for price stability. In India, this target is based on the consumer price index and is currently set at four percent. The framework includes a tolerance band of two percent in either direction, allowing the regulator to accommodate economic fluctuations while keeping long-term inflation expectations anchored.

68. (D) Facilitating external trade and payments and promoting the orderly development and maintenance of the foreign exchange market in India.
The foreign exchange management act provides the legal framework for managing the country's external sector. Its main objectives are to facilitate external trade and payments and to promote the orderly development and maintenance of the foreign exchange market. This legislation represents a shift toward a more liberalized and management-oriented approach compared to previous restrictive regulations regarding foreign currency.

69. (C) 2015
The central bank initiated a comprehensive review of bank balance sheets to address the growing problem of hidden stressed assets. This exercise, known as the asset quality review, was launched in 2015. It forced banks to recognize various non-performing assets that had not been previously identified, leading to a more transparent and realistic assessment of the health of the banking system.

70. (C) By a majority vote of the members present and voting, with the Governor having a second or casting vote in case of a tie.
Decisions regarding interest rates are made collectively by the six members of the monetary

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policy committee. Each member has one vote, and the final decision is determined by a simple majority of those present and voting. In the event of an equal division of votes, the governor is granted a second or casting vote to ensure a definitive outcome.

71. (A) P-IV, Q-II, R-III, S-I
Central bank actions have direct impacts on liquidity and credit. Increasing the repo rate contracts the money supply by raising borrowing costs. Reducing the cash reserve ratio expands the money supply. Buying securities through open market operations injects durable liquidity into the system. Raising margin requirements is a qualitative tool used to restrict credit flow to specific speculative activities or sectors.

72. (C) A is true but R is false.
The financial stability report is a key document that assesses risks to the national financial system. It reflects the collective assessment of the sub-committee of the financial stability and development council. However, the claim that it is published by the ministry of finance without any input from the central bank is incorrect, as the regulator plays the leading role.

73. (B) Bimal Jalan Committee - Economic Capital Framework and Surplus Transfer
Various committees have shaped the policy and operational landscape of the central bank. The Bimal Jalan Committee was specifically tasked with reviewing the economic capital framework and determining the appropriate levels of surplus transfer to the government. Other committees, such as the Urjit Patel Committee, were instrumental in recommending the shift toward the current flexible inflation targeting framework.

74. (B) III, I, II
The infrastructure for electronic payments has developed over several decades. Real-time gross settlement was introduced first in 2004 to handle high-value transactions. This was followed by the launch of national electronic funds transfer in 2005 for smaller batch-based payments. The unified payments interface was launched much later in 2016, revolutionizing retail payments through mobile-based interoperability.

75. (A) I and II
The regulatory oversight of payment systems is governed by the payment and settlement systems act of 2007. The unified payments interface was developed by the national payments corporation of India, an initiative supported by the central bank. However, the claim that real-time gross settlement operates on a deferred net basis is incorrect, as it settles transactions individually and immediately.

76. (C) Changes in policy rates affect the net worth and cash flows of firms, altering their borrowing capacity and banks' willingness to lend.
The balance sheet channel is a mechanism of monetary transmission that links policy rates to the financial health of borrowers. Changes in interest rates affect the valuation of assets and the cash flows of firms. A rise in rates can reduce a firm's net worth, making them less creditworthy in the eyes of banks and thereby reducing the overall volume of lending.

77. (D) The Governor has the unilateral power to dissolve the Central Board at any time.
The central board of directors is the primary body responsible for the general superintendence and direction of the central bank. It consists of official directors, including the governor and deputy governors, and non-official directors nominated by the government. The governor does not have the unilateral power to dissolve this board, as its composition and functioning are defined by statutory provisions.

78. (C) Accepting demand deposits directly from the general public.
In its capacity as the banker to banks, the regulator maintains the cash reserves of commercial institutions and provides a clearing house facility for inter-bank settlements. It also acts as the lender of last resort during liquidity crises. However, the central bank does not engage in retail banking and does not accept demand deposits directly from the general public.

79. (B) Submit a report to the Government of India explaining the failure, proposing remedial actions, and an estimated time period to achieve the target.
The inflation targeting framework includes a strict accountability mechanism. If inflation

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remains outside the mandated tolerance band for three consecutive quarters, the monetary policy committee is required by law to submit a report to the government. This report must explain the reasons for the failure, outline the proposed remedial actions, and provide an estimated timeline for returning to the target.

80. (D) Headline inflation captures overall price rises, while core inflation removes volatile food and energy sectors to show underlying pressure.
Headline inflation provides a comprehensive measure of total inflation in the economy by including all items in the basket. Core inflation is derived from the headline figure by excluding volatile components like food and energy. This allows policymakers to see the underlying, more stable price trends, which is useful for making decisions about long-term monetary policy and interest rates.

81. (A) P-IV, Q-I, R-II, S-III
Financial terminology describes various risks and mechanisms within the banking sector. A haircut represents the loss a lender accepts during debt resolution. The lender of last resort function involves providing emergency liquidity to banks. Ways and means advances are short-term borrowing facilities for the government. Systemic risk refers to the potential for a failure that could collapse the entire financial system.

82. (A) Both A and R are true and R is the correct explanation of A.
The credit channel of monetary transmission explains how changes in policy rates influence the availability of bank loans. An increase in the repo rate raises the cost of funds for commercial banks, leading them to increase their own lending rates. This higher cost of borrowing naturally dampens the demand for credit among businesses and consumers, thereby reducing the total volume of loans.

83. (A) Corporate Restructuring - Loans provided for the merger and acquisition of large telecom companies
Priority sector lending is specifically aimed at sectors that have a social impact or require developmental support, such as agriculture, education, and housing. Corporate restructuring for large-scale mergers and acquisitions in the telecom industry does not meet these criteria and is not classified as priority sector lending. Such commercial activities are handled through standard corporate banking channels without priority mandates.

84. (A) Restriction on dividend distribution → Restriction on branch expansion → Restriction on management compensation
The prompt corrective action framework involves a sequence of escalating interventions to address the deteriorating health of a bank. It typically begins with restrictions on dividend distributions to preserve capital. If the situation does not improve, the regulator may then restrict branch expansion. Finally, more severe measures, such as restrictions on management compensation, are implemented to enforce discipline and recovery.

85. (D) III only
The RBI Act of 1934 provides the essential statutory framework for the operation of the central bank. It outlines the management structure and was significantly amended in 2016 to incorporate the monetary policy committee. The claim that the institution must be a wholly privately-owned institution forever is incorrect, as it was nationalised in 1949 and is now government-owned.

86. (C) It functions as the adjudicating authority for the insolvency resolution process of corporate debtors under the IBC.
The national company law tribunal plays a central role in the legal resolution of corporate debt. In the context of the banking sector, it acts as the adjudicating authority for the insolvency resolution process under the insolvency and bankruptcy code. Its function is to oversee the legal proceedings when a corporate debtor defaults, ensuring a structured and time-bound resolution for creditors.

87. (D) It is the standard rate at which the RBI is prepared to buy or rediscount eligible bills of exchange.
The bank rate is a traditional monetary policy tool defined under the central banking act. It represents the standard rate at which the regulator is prepared to buy or rediscount eligible bills of exchange or other commercial papers. While its importance has diminished with the

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rise of the repo rate, it still serves as a benchmark for certain penalties and long-term interest rates.

88. (C) Section 47
The legal requirement for the central bank to share its profits with the national government is found in the governing legislation. According to section forty-seven of the act, the institution must transfer its surplus income to the central government each year. This transfer takes place after the bank has made necessary provisions for contingencies, bad debts, and other operational requirements.

89. (D) 2022
The standing deposit facility was introduced as a new tool in the liquidity management framework. It was implemented in 2022 to allow the central bank to absorb excess liquidity from the banking system without the need for providing government securities as collateral. This addition provided the regulator with an effective and flexible instrument to manage surplus funds and maintain the policy rate.

90. (B) To facilitate the expansion of currency supply required for the developmental needs of the economy, overcoming the inflexibility of the Proportional Reserve System.
The shift to the minimum reserve system in 1956 was motivated by the need for a more flexible currency issuance mechanism. The previous proportional system was too rigid to support the increasing currency requirements of a developing economy. By requiring only a fixed minimum reserve of gold and foreign securities, the new system allowed the regulator to expand the money supply.

91. (A) P-II, Q-III, R-I, S-IV
Inflation indices in India are characterized by different base years and compositions. The consumer price index uses 2012 as its base year, while the wholesale price index uses 2011-12. Core inflation is distinguished by its exclusion of volatile food and fuel items. Headline inflation is the broad measure that includes all components of the basket, reflecting the overall price changes.

92. (C) A is true but R is false.
The central bank acts as the lender of last resort by providing liquidity to commercial banks facing severe financial stress. This role is essential for maintaining systemic stability. However, the reason is incorrect because the regulator does not provide direct loans to farmers; instead, it sets the policy framework and mandates for other financial institutions to handle agricultural lending.

93. (D) Financial Inclusion - Ensuring banking services reach the unbanked and weaker sections at an affordable cost
The central bank plays a proactive role in the development of the national financial system. A key part of this developmental mandate is promoting financial inclusion, which involves ensuring that banking services are accessible and affordable for the unbanked and weaker sections of society. This is achieved through various policies, including mandates for priority sector lending and the expansion of banking infrastructure.

94. (A) I, III, II
The institutional framework of the central bank has evolved through several major milestones. The bank was nationalised in 1949 to bring it under government control. In 1956, it transitioned to the minimum reserve system for currency issuance. Much later, in 2016, the flexible inflation targeting framework was introduced to provide a modern, rule-based approach to conducting monetary policy.

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95. (A) I, II, III and IV
The developmental functions of the central bank include promoting financial inclusion, mandating priority sector lending, building specialized financial institutions, and regulating non-banking financial companies. These roles aim to strengthen the financial infrastructure and ensure credit flows to essential sectors. However, providing direct subsidies to farmers is a fiscal function performed by the government, not a role of the central bank.

96. (D) A high Net NPA ratio indicates that the bank has made sufficient provisions to cover its bad loans.
Non-performing assets are key indicators of bank health. Gross non-performing assets represent the total amount of defaulted loans. Net non-performing assets are the remainder

after subtracting provisions made by the bank. A high net non-performing asset ratio is a negative sign, indicating that the bank's bad loans are significant and that it has not set aside enough capital to cover them.

97. (A) Manufactured goods prices
Core inflation is designed to measure the underlying price trends by removing volatile components from the headline figure. This typically involves excluding food and energy prices, as well as certain volatile primary articles. Manufactured goods prices are not excluded; rather, they form the core of this inflation measure because they are generally more stable and reflect long-term economic trends.

98. (C) Banks will have an incentive to park more excess liquidity with the RBI, reducing funds available for lending to the public.
The reverse repo rate is the interest rate paid by the central bank to commercial banks for their excess funds. If this rate is increased significantly, it creates a stronger incentive for banks to park their surplus liquidity with the regulator. This results in a reduction of the funds available for lending to the public, effectively tightening the overall money supply.

99. (A) RTGS settles transactions continuously on an individual, order-by-order basis, whereas NEFT settles transactions in half-hourly batches.
The two primary electronic fund transfer systems differ in their settlement methods. Real-time gross settlement processes each transaction individually and continuously as they occur, making it ideal for high-value and urgent payments. In contrast, national electronic funds transfer groups transactions into half-hourly batches for settlement. This difference allows the regulator to manage different types of payment needs and systemic risks effectively.

100. (D) It is a temporary overdraft facility provided by the RBI to bridge temporary mismatches in the receipts and payments of the government.
Ways and means advances are a specialized credit facility designed for the central and state governments. They serve as a temporary overdraft to help the government manage short-term gaps between its expenditures and revenue receipts. This mechanism ensures that the government can meet its immediate payment obligations without disrupting its regular financial operations or the broader economy's liquidity conditions.

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CHAPTER 06

Finance Commission and Resource Sharing Between Union and States

1. Which Article of the Indian Constitution mandates the establishment of the Finance Commission to govern fiscal federalism?
(A) Article 280
(B) Article 275
(C) Article 293
(D) Article 263
(E) Answer not known

2. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The recommendations made by the Finance Commission regarding the distribution of tax revenues are constitutionally binding on the executive.
Reason (R): The Finance Commission's report must be tabled before both Houses of Parliament along with an explanatory memorandum.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

3. Match the items in List I with the items in List II and select the correct answer from the options given below:
List I: (Constitutional Articles)
P. Article 280
Q. Article 275
R. Article 293
S. Article 263
List II: (Provisions)
I. Grants-in-aid to states
II. Inter-state Council
III. Finance Commission
IV. State borrowings
(A) P-III, Q-I, R-IV, S-II
(B) P-III, Q-II, R-IV, S-I
(C) P-I, Q-III, R-II, S-IV
(D) P-IV, Q-I, R-III, S-II
(E) Answer not known

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4. Identify the correct statement regarding the composition of the Finance Commission of India.
(A) It consists of a Chairman and five other members appointed by the Prime Minister.
(B) It consists of a Chairman and three other members appointed by the Parliament.
(C) It consists of a Chairman and four other members appointed by the Supreme Court.
(D) It consists of a Chairman and four other members appointed by the President.
(E) Answer not known

5. Consider the following statements regarding the qualifications required for members of the Finance Commission:
I. Members must possess specialized expertise in economics, administration, or judicial matters.
II. All members must be sitting judges of the Supreme Court of India.
III. Members must have practical experience in financial matters and administration.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) I only
(D) II only
(E) Answer not known

6. Which of the following defines "Vertical Devolution" in the context of the Finance Commission's functions?
(A) Distribution of the divisible tax pool among

(A) I, II, III, IV
(B) II, I, III, IV
(C) I, III, II, IV
(D) III, II, I, IV
(E) Answer not known

48. Which of the following best indicates the sequence of categories for Centrally Sponsored Schemes (CSS) from highest to lowest priority of Central funding?
(A) Core of the Core Schemes → Core Schemes → Optional Schemes
(B) Optional Schemes → Core Schemes → Core of the Core Schemes
(C) Core Schemes → Core of the Core Schemes → Optional Schemes
(D) Core of the Core Schemes → Optional Schemes → Core Schemes
(E) Answer not known

49. Which of the following pairs concerning constitutional articles and their subject is correctly matched?
(A) Article 275 - Statutory grants-in-aid to states
(B) Article 243H - Grants to Municipalities
(C) Article 243X - Financial powers of Panchayats
(D) Article 280 - Constitution of State Finance Commission
(E) Answer not known

50. Consider the following statements about GST compensation:
I. The compensation was funded through a specific GST Compensation Cess.
II. The cess was levied on luxury and demerit goods.
III. The guarantee was provided for a period of ten years.
IV. Post the compensation period, states must rely purely on their regular SGST collections and devolution.
Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) I, II and III only
(C) I and IV only
(D) II and III only
(E) Answer not known

51. The term "Terms of Reference" (ToR) in the context of the Finance Commission refers to:
(A) Mandate and guidelines for the Commission's recommendations.
(B) Maximum duration a member can serve on the Union Commission.
(C) Legal immunity granted to the appointed Commission Chairman.
(D) Budget allocated by Parliament for the Commission's duties.
(E) Answer not known

52. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The Union Government's increasing reliance on cesses and surcharges has been a major point of friction with states.
Reason (R): Cesses and surcharges do not form part of the divisible pool, thereby reducing the actual proportion of gross tax revenue devolved to states.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

53. Match the items in List I with the items in List II and select the correct answer from the options given below:
List I: (Local Body Finance)
P. Own non-tax revenue
Q. State Finance Commission
R. Article 243H
S. Finance Commission Grants
List II: (Description)
I. User charges and fees collected by Panchayats
II. Recommends state-to-local body devolution
III. Powers to impose taxes by Panchayats
IV. Third-tier fiscal support from the Centre
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

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R. Fifteenth Finance Commission
S. First Finance Commission
List II: (Devolution Percentage)
I. 42 percent
II. 41 percent
III. Initial devolution framework
IV. 32 percent
(A) P-IV, Q-I, R-II, S-III
(B) P-IV, Q-II, R-I, S-III
(C) P-I, Q-IV, R-II, S-III
(D) P-II, Q-I, R-IV, S-III
(E) Answer not known

14. Identify the correct statement regarding Tamil Nadu's concerns with the 15th Finance Commission.
(A) Demands for a major reduction in horizontal tax devolution.
(B) Requests for the complete abolition of the GST compensation.
(C) Concerns that the 2011 census penalizes population control.
(D) Requests for the Centre to manage state non-tax revenue sources.
(E) Answer not known

15. Consider the following statements regarding the criteria for horizontal distribution by the 15th Finance Commission:
I. Population was assigned a weightage based on the 1971 census.
II. Income distance remains the criterion with the highest weightage.
III. Demographic performance was explicitly introduced to reward population control.
IV. Forest and ecology cover was completely removed as a criterion.
V. Area of the state continues to be a standard criterion for distribution.
Which of the above statement(s) is/are correct?
(A) II, III, IV and V only
(B) I, II, III and V only
(C) II, III and V only
(D) I, IV and V only
(E) Answer not known

16. What is meant by "Vertical Fiscal Imbalance" in the Indian federal system?
(A) Disparity in revenue capacity between rich and poor states.
(B) Gap between direct tax collections and indirect tax collections.
(C) Difference between budgeted fiscal and actual fiscal deficits.
(D) Union revenue exceeds state revenue while states spend more.
(E) Answer not known

17. Which of the following best describes the principle of "Horizontal Fiscal Imbalance"?
(A) Variation in revenue and expenditure needs across various states.
(B) Financial dependency of the Union on external sovereign loans.
(C) Imbalance between tax and non-tax revenues of a single state.
(D) Difference between plan transfers and non-plan fund transfers.
(E) Answer not known

18. Consider the following statements about taxes excluded from the divisible pool:
I. Surcharges are collected by the Centre and are not shared with the states.
II. Specific-purpose cesses like the Health and Education Cess dilute the states' share of revenues.
III. The Finance Commission has recommended making all cesses a mandatory part of the divisible pool.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I only
(D) III only
(E) Answer not known

19. Which of the following pairs regarding state revenue sources is correctly matched?
(A) Sales tax/GST - State own tax revenue
(B) Stamp duty - Centre's exclusive tax revenue
(C) Dividend from public sector units - State own tax revenue
(D) Customs duty - State own non-tax revenue
(E) Answer not known

20. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): States generally prefer tax

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various states.
(B) Allocation of specific grants-in-aid to urban local bodies.
(C) Tax sharing between the Union and State governments.
(D) Transfer of funds for central schemes to state governments.
(E) Answer not known

7. Arrange the following Finance Commissions in chronological order of their constitution:
I. Thirteenth Finance Commission
II. First Finance Commission
III. Fifteenth Finance Commission
IV. Fourteenth Finance Commission
(A) II, I, IV, III
(B) II, IV, I, III
(C) I, II, IV, III
(D) II, I, III, IV
(E) Answer not known

8. Which of the following correctly represents the sequence of the implementation of Finance Commission recommendations?
(A) Constitution by President → Submitting report to President → Tabling report in Parliament → Government issues action taken report
(B) Submitting report to President → Constitution by President → Tabling report in Parliament → Government issues action taken report
(C) Tabling report in Parliament → Constitution by President → Submitting report to President → Government issues action taken report
(D) Constitution by President → Tabling report in Parliament → Submitting report to President → Government issues action taken report
(E) Answer not known

9. Which of the following pairs concerning Finance Commissions and their Chairmen is incorrectly matched?
(A) First Finance Commission - K.C. Neogy
(B) Thirteenth Finance Commission - K.C. Pant
(C) Fourteenth Finance Commission - Y.V. Reddy
(D) Fifteenth Finance Commission - N.K. Singh
(E) Answer not known

10. Consider the following statements regarding the divisible pool of taxes:
I. Income tax and corporate tax are core components of the divisible pool.
II. GST and excise duties are included in the divisible pool.
III. Surcharges levied by the Union are shared with the states.
IV. Cesses collected for specific purposes are excluded from the divisible pool.
Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) II, III and IV only
(C) I and III only
(D) II and IV only
(E) Answer not known

11. Which of the following was NOT a criterion used for horizontal distribution by the 15th Finance Commission?
(A) Length of international border
(B) Income distance
(C) Area
(D) Demographic performance
(E) Answer not known

12. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The 14th Finance Commission is known for a landmark increase in vertical devolution to the states.
Reason (R): It increased the states' share in the central divisible pool of taxes from 32 percent to 42 percent.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

13. Match the items in List I with the items in List II and select the correct answer from the options given below:
List I: (Finance Commission)
P. Thirteenth Finance Commission
Q. Fourteenth Finance Commission

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(A) I, II, III, IV
(B) II, I, IV, III
(C) I, III, II, IV
(D) I, IV, II, III
(E) Answer not known

28. Which of the following correctly orders the funding flow structure for disaster relief from the Centre to the local level?
(A) National Disaster Response Fund → State Disaster Response Fund → District Authorities
(B) State Disaster Response Fund → National Disaster Response Fund → District Authorities
(C) District Authorities → State Disaster Response Fund → National Disaster Response Fund
(D) National Disaster Response Fund → District Authorities → State Disaster Response Fund
(E) Answer not known

29. Which of the following pairs regarding state borrowings is incorrectly matched?
(A) Constitutional Article 293 - Borrowing by State Governments.
(B) Mandatory Centre's consent if a state has outstanding loans.
(C) Fixed FRBM limits setting a ceiling on state fiscal deficits.
(D) Long-term developmental loans sourced directly from the RBI.
(E) Answer not known

30. Consider the following statements regarding Ways and Means Advances (WMA):
I. It is a facility provided by the Reserve Bank of India.
II. It helps states manage temporary mismatches in cash flows.
III. It is a permanent grant given by the Finance Commission.
IV. Persistent usage beyond limits leads to an overdraft facility.
Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) I, II and III only
(C) I and IV only
(D) II and III only
(E) Answer not known

31. Identify the incorrect statement regarding Special Category States in India.
(A) They historically received preferential treatment in terms of central plan assistance.
(B) The 14th Finance Commission recommended increasing the number of Special Category States.
(C) The status was primarily granted based on hilly terrain, strategic borders, and economic backwardness.
(D) The concept heavily influenced the funding pattern of Centrally Sponsored Schemes for these states.
(E) Answer not known

32. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Hill states face unique fiscal challenges regarding infrastructure development.
Reason (R): They often require additional central assistance to overcome the high cost of connectivity and difficult terrain.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

33. Match the items in List I with the items in List II and select the correct answer from the options given below:
List I: (Disaster Management Funds)
P. SDRF
Q. NDRF
R. Finance Commission
S. State Government
List II: (Characteristics)
I. Primary fund available with states for disaster response
II. Recommends the corpus and funding pattern for disaster funds
III. Supplementary fund for calamities of severe nature
IV. Executes relief measures at the ground level
(A) P-I, Q-III, R-II, S-IV

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(B) P-III, Q-I, R-IV, S-II
(C) P-II, Q-IV, R-I, S-III
(D) P-I, Q-II, R-III, S-IV
(E) Answer not known

34. What was the specific guarantee provided to states regarding GST compensation?
(A) A guaranteed 10% annual growth in GST revenue indefinitely.
(B) Complete coverage of state fiscal deficits for five years.
(C) A guaranteed 14% annual growth in GST revenue for five years.
(D) Automatic compensation for any loss in direct tax collections.
(E) Answer not known

35. Consider the following statements regarding the third tier of fiscal federalism in India:
I. Article 243H and 243X deal with the financial powers of Panchayats and Municipalities.
II. The Central Finance Commission provides specific grants to supplement local body resources.
III. Local bodies rely heavily on central and state grants due to massive fiscal gaps.
IV. Property tax is completely prohibited for municipalities.
V. The State Finance Commission reviews the financial position of local bodies.
Which of the above statement(s) is/are correct?
(A) I, II, III and V only
(B) I, III, IV and V only
(C) II, IV and V only
(D) I, II and V only
(E) Answer not known

36. Which of the following defines the "Equalisation Principle" in the context of Finance Commission transfers?
(A) Providing equal absolute amounts of funds to all the states.
(B) Equalising direct and indirect tax rates across all states.
(C) Ensuring state expenditures equal central expenditure amounts.
(D) Transferring resources to enable comparable service levels.
(E) Answer not known

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37. Which state has consistently raised concerns about being penalised in federal transfers due to its strong performance in population control and fiscal management?
(A) Bihar
(B) Tamil Nadu
(C) Uttar Pradesh
(D) Jharkhand
(E) Answer not known

38. Which of the following sequences represents the correct descending order of weightage given to criteria by the 15th Finance Commission for horizontal devolution?
(A) Income Distance → Population → Area → Demographic Performance
(B) Population → Area → Income Distance → Demographic Performance
(C) Area → Income Distance → Demographic Performance → Population
(D) Income Distance → Area → Population → Demographic Performance
(E) Answer not known

39. Which pair of local body grants provided by the Finance Commission is correctly matched with its nature?
(A) Basic Grants - Allocated exclusively for managing natural disasters.
(B) Tied Grants - Funds that can be utilized for any unrestricted purpose.
(C) Untied Grants - Mandated strictly for managing municipal solid waste.
(D) Performance Grants - Grants given for meeting specific financial performance conditions.
(E) Answer not known

40. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The cessation of the GST compensation period in 2022 created fiscal anxiety among several state governments.
Reason (R): States feared a significant shortfall in their guaranteed revenue growth once the compensation cess mechanism ended.
(A) Both A and R are true and R is the correct explanation of A.

(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

41. Which of the following is the most appropriate classification of grants recommended by the Finance Commission under Article 275?
(A) Discretionary Grants
(B) Statutory Grants
(C) Plan Grants
(D) Matching Grants
(E) Answer not known

42. Match the items in List I with the items in List II and select the correct answer from the options given below:
List I: (Taxes)
P. Corporate Tax
Q. Health and Education Cess
R. Central GST
S. Surcharges on Income Tax
List II: (Inclusion/Exclusion)
I. Included in divisible pool
II. Excluded from divisible pool
III. Included in divisible pool
IV. Excluded from divisible pool
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

43. Consider the following statements regarding Centrally Sponsored Schemes (CSS):
I. They are entirely funded by the Union Government.
II. States usually have to provide a matching contribution.
III. They fall under the state list subjects implemented by states.
IV. Core of the Core schemes mandate higher central funding compared to optional schemes.
Which of the above statement(s) is/are correct?
(A) II, III and IV only
(B) I, II and III only
(C) I and IV only
(D) II and III only
(E) Answer not known

44. Identify the incorrect statement regarding Tamil Nadu's fiscal performance.
(A) Tamil Nadu generally has a high proportion of own tax revenue relative to total revenue.
(B) Tamil Nadu has historically maintained an absolute zero fiscal deficit.
(C) Tamil Nadu has raised concerns over the shrinking share of its vertical devolution over successive Finance Commissions.
(D) Tamil Nadu exhibits strong demographic indicators compared to the national average.
(E) Answer not known

45. Consider the following statements regarding the 13th Finance Commission:
I. It recommended a vertical devolution of 32 percent.
II. It was chaired by Vijay Kelkar.
III. It introduced the concept of Performance Grants for local bodies.
Which of the above statement(s) is/are correct?
(A) I and III only
(B) II and III only
(C) I and II only
(D) I only
(E) Answer not known

46. What was the central controversy surrounding the 15th Finance Commission's terms of reference regarding population?
(A) The mandate to strictly use the 1971 census for all criteria.
(B) The complete exclusion of population as a criterion for horizontal devolution.
(C) The mandate to use the 2011 census, which penalised states with lower population growth.
(D) The decision to rely on projected population data for 2021.
(E) Answer not known

47. Arrange the following events in the evolution of Indian fiscal federalism in correct chronological order:
I. Constitution of the 14th Finance Commission
II. Abolition of the Planning Commission
III. Introduction of the Goods and Services Tax (GST)
IV. End of the 5-year GST Compensation guarantee

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(A) I, II, III, IV
(B) I, II, IV, III
(C) II, I, III, IV
(D) III, IV, II, I
(E) Answer not known

62. Which sequence properly represents the hierarchy of liquidity management facilities available to states from the RBI, from standard to emergency?
(A) Special Drawing Facility → Normal Ways and Means Advances → Overdraft
(B) Overdraft → Normal Ways and Means Advances → Special Drawing Facility
(C) Normal Ways and Means Advances → Special Drawing Facility → Overdraft
(D) Special Drawing Facility → Overdraft → Normal Ways and Means Advances
(E) Answer not known

63. Which of the following pairs is incorrectly matched regarding the 15th Finance Commission's horizontal devolution criteria weights?
(A) Population (2011) - 15.0%
(B) Demographic Performance - 25.0%
(C) Area - 15.0%
(D) Income Distance - 45.0%
(E) Answer not known

64. Identify the correct statement about the structural problem of fiscal federalism in India.
(A) States possess buoyant tax sources with low expenditure duties.
(B) Constitution prohibits any revenue sharing between Union/states.
(C) Local bodies collect more tax revenue than state governments.
(D) Union collects most revenue while states handle most expenditure.
(E) Answer not known

65. Consider the following statements about disaster relief grants:
I. The National Disaster Response Fund (NDRF) is managed at the central level.
II. State Disaster Response Fund (SDRF) requires proportional contribution from both Centre and State.
III. The Finance Commission has no role in determining the corpus of SDRF.
IV. Disaster grants are considered part of the vertical tax devolution.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II, III and IV only
(C) I and IV only
(D) II and III only
(E) Answer not known

66. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The 15th Finance Commission recommended a devolution of 41%, down from 42% in the 14th Commission.
Reason (R): One percent was adjusted to cater to the newly formed Union Territories of Jammu & Kashmir and Ladakh.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

67. Match the items in List I with the items in List II and select the correct answer from the options given below:
List I: (Concepts)
P. Demographic Performance Criterion
Q. Tied Funds in CSS
R. GST implementation
S. Revenue Surplus Status
List II: (Impact on States)
I. Loss of independent taxation power on goods
II. Limits state fiscal autonomy
III. Rewards states with low fertility rates
IV. Makes a state ineligible for revenue deficit grants
(A) P-III, Q-II, R-I, S-IV
(B) P-III, Q-I, R-II, S-IV
(C) P-I, Q-II, R-III, S-IV
(D) P-II, Q-III, R-IV, S-I
(E) Answer not known

68. The concept of "Income Distance" used in horizontal distribution refers to:

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54. Identify the correct statement regarding state borrowings under Article 293.
(A) States can borrow directly from international organizations without the Centre's consent.
(B) States are entirely exempt from the Fiscal Responsibility and Budget Management (FRBM) limits.
(C) States require the Centre's consent to borrow if they have any outstanding loans owed to the Centre.
(D) States can issue sovereign currency to finance their deficits.
(E) Answer not known

55. Consider the following statements about the 14th Finance Commission:
I. It was chaired by Y.V. Reddy.
II. It increased the states' share from 32% to 42%.
III. It recommended the immediate abolition of all centrally sponsored schemes.
IV. It drastically reduced the importance of population in horizontal devolution.
V. It was the first to use the 2011 census as the sole population demographic base.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) I, II, III and V only
(C) II, III and V only
(D) I, IV and V only
(E) Answer not known

56. Which of the following best exemplifies "State Own Tax Revenue"?
(A) Revenue from Stamp Duty and Registration.
(B) Central GST devolution shared with states.
(C) Income Tax shares distributed to states.
(D) Grants-in-aid provided under Article 275.
(E) Answer not known

57. Which of the following pairs regarding horizontal distribution criteria and their usual proxy indicators is correctly matched?
(A) Income Distance - State's agricultural output
(B) Area - Cost disability due to geography
(C) Forest Cover - Urbanization rate
(D) Demographic Performance - Industrial growth rate
(E) Answer not known

58. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The abolition of the Planning Commission shifted greater responsibility onto the Finance Commission for resource transfers.
Reason (R): Plan and non-plan expenditure distinctions were removed, streamlining all fiscal transfers through statutory and schematic channels.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

59. Which of the following is completely excluded from the divisible pool of taxes?
(A) Export Duties
(B) Corporate Tax
(C) Income Tax
(D) Union Excise Duties
(E) Answer not known

60. Consider the following statements regarding local body grants provided by the Finance Commission:
I. They are divided into basic grants and performance grants.
II. They aim to bridge the fiscal gap in providing basic local services.
III. They completely replace the need for local bodies to collect their own revenues.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I only
(D) III only
(E) Answer not known

61. Arrange the evolution of Finance Commission devolution percentages from lowest to highest based on historical recommendations:
I. 11th Finance Commission (29.5%)
II. 13th Finance Commission (32%)
III. 15th Finance Commission (41%)
IV. 14th Finance Commission (42%)

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devolution over grants-in-aid.
Reason (R): Grants-in-aid often come with tied conditions that restrict the fiscal autonomy of the states.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

21. Which of the following is an example of a specific purpose cess levied by the Union government that is excluded from the divisible pool?
(A) Corporate Tax on companies.
(B) Health and Education Cess.
(C) Central Income Tax revenue.
(D) State Excise Duty on items.
(E) Answer not known

22. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The Centrally Sponsored Schemes (CSS) often distort the expenditure priorities of state governments.
Reason (R): States are required to provide matching contributions for CSS, which diverts funds from their own priority areas.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

23. Match the items in List I with the items in List II and select the correct answer from the options given below:
List I: (Concept)
P. Divisible Pool
Q. Surcharges
R. Grants-in-aid
S. Centrally Sponsored Schemes
List II: (Description)
I. Article 275 statutory transfers
II. Taxes shared between Centre and states
III. Requires matching contribution from states
IV. Taxes exclusively retained by the Centre
(A) P-II, Q-IV, R-I, S-III
(B) P-II, Q-I, R-IV, S-III
(C) P-IV, Q-II, R-I, S-III
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

24. Which commission is historically associated with recommendations for rationalising Centrally Sponsored Schemes into core and optional categories?
(A) Punchhi Commission
(B) Kothari Commission
(C) Nanavati Commission
(D) Kaka Kalelkar Commission
(E) Answer not known

25. Consider the following statements about the Gadgil-Mukherjee formula:
I. It was used primarily for the devolution of plan assistance to states.
II. It evaluated states purely based on their demographic performance.
III. Its relevance declined with the abolition of the Planning Commission.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) I only
(D) III only
(E) Answer not known

26. The Inter-State Council, which provides a platform for discussing fiscal federalism, was established under which Article of the Constitution?
(A) Article 280
(B) Article 263
(C) Article 275
(D) Article 293
(E) Answer not known

27. Arrange the following components of State Own Tax Revenue in typically decreasing order of their revenue contribution for major states like Tamil Nadu:
I. State GST (SGST)
II. State Excise Duty
III. Stamp Duty and Registration Fees
IV. Taxes on Vehicles

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(A) Physical distance between the state capital and New Delhi.
(B) Gap between the state's projected and actual annual revenue.
(C) Difference in salaries of state and central government staff.
(D) Difference from the highest state's per capita income level.
(E) Answer not known

69. Consider the following statements regarding the Inter-State Council's role in fiscal federalism:
I. It is an ad-hoc body established exclusively by the Finance Commission.
II. It facilitates dialogue between the Centre and States on issues including fiscal policies.
III. It has the constitutional power to override Finance Commission recommendations.
IV. It operates under Article 263 of the Constitution.
V. It was recommended by the Sarkaria Commission.
Which of the above statement(s) is/are correct?
(A) II, IV and V only
(B) I, II, III and V only
(C) II, III and V only
(D) I, IV and V only
(E) Answer not known

70. Identify the incorrect statement regarding the First Finance Commission.
(A) It was constituted in 1951.
(B) It was chaired by K.C. Neogy.
(C) It recommended a vertical devolution of 42 percent.
(D) It established the initial framework for vertical devolution.
(E) Answer not known

71. Which of the following is an advantage of Centrally Sponsored Schemes (CSS) from the Union government's perspective?
(A) They grant absolute fiscal freedom to state governments.
(B) They eliminate the need for any matching contribution from the states.
(C) They allow states to bypass the Finance Commission's reporting requirements.
(D) They ensure uniform implementation of national priorities across all states.
(E) Answer not known

72. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Southern states like Tamil Nadu often receive a lower per capita share in Finance Commission devolutions compared to northern states like Bihar.
Reason (R): Horizontal distribution criteria heavily weight population and income distance, which structurally favour populous, lower-income states.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

73. Which sequence correctly arranges the levels of government from highest to lowest in terms of inherent tax revenue collection capacity in India?
(A) Union Government → State Governments → Local Bodies
(B) State Governments → Union Government → Local Bodies
(C) Union Government → Local Bodies → State Governments
(D) Local Bodies → State Governments → Union Government
(E) Answer not known

74. Which of the following pairs concerning the 15th Finance Commission is correctly matched?
(A) Chairman - Y.V. Reddy
(B) Devolution percentage - 41%
(C) Devolution period - 2015 to 2020
(D) Base population year - 1971 census
(E) Answer not known

75. Consider the following statements about State Finance Commissions (SFCs):
I. They are mandated by the 73rd and 74th Constitutional Amendments.
II. They determine the devolution of funds from the State to local bodies.
III. Their reports are entirely non-binding and rarely tabled in the State legislature.

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formula to bridge these gaps, ensuring that all states can provide a comparable level of public services.

18. (A) I and II only
Under the current constitutional framework, the Union government can levy surcharges and cesses for specific objectives. These revenues are not part of the divisible pool and are retained solely by the Centre. This exclusion often dilutes the effective share of taxes received by states. Despite state demands, these levies remain outside the mandatory sharing mechanism determined by the Finance Commission.

19. (A) Sales tax/GST - State own tax revenue
States generate their own tax revenue from several specific sources permitted under the Constitution. Key components include the State Goods and Services Tax, state excise duty on alcoholic liquors, and stamp duties on property transactions. While customs duties are exclusive to the Union, and dividends are non-tax revenue, the SGST remains a primary and buoyant source of tax income for states.

20. (A) Both A and R are true and R is the correct explanation of A.
States generally prefer receiving funds through tax devolution because these transfers are untied and can be spent according to local needs. In contrast, grants-in-aid, especially those for Centrally Sponsored Schemes, often come with strict conditionalities and matching requirements. These conditions can limit the fiscal autonomy of states, forcing them to prioritize central objectives over their own developmental plans.

21. (B) Health and Education Cess.
The Health and Education Cess is a specific levy imposed by the Union government on various taxes. Unlike basic corporate or income taxes, this cess is earmarked for particular social sectors and is legally excluded from the divisible pool. This means the revenue collected is not shared with state governments, serving as an exclusive financial resource for the central government.

22. (A) Both A and R are true and R is the correct explanation of A.
Centrally Sponsored Schemes require states to contribute a portion of the funding, typically in a 60:40 or 90:10 ratio. This matching requirement often forces states to divert their limited financial resources away from state-specific priorities to qualify for central funds. Consequently, these schemes can distort the expenditure patterns of state governments and impact their ability to address local issues.

23. (A) P-II, Q-IV, R-I, S-III
The fiscal framework involves different transfer mechanisms. The divisible pool consists of taxes shared between the Union and states. Surcharges are exclusive revenues retained by the Centre. Article 275 provides for statutory grants-in-aid to assist states with revenue gaps. Centrally Sponsored Schemes are schematic transfers that generally require a matching financial contribution from the state governments for implementation.

24. (A) Punchhi Commission
The Punchhi Commission on Centre-State Relations focused on various aspects of federalism, including fiscal management. It recommended the rationalization of Centrally Sponsored Schemes to enhance state autonomy. The commission suggested categorizing these schemes into core and optional groups to ensure that states have more flexibility in implementing programs that are relevant to their specific socio-economic conditions and geographic requirements.

25. (B) I and III only
The Gadgil-Mukherjee formula was the primary mechanism used by the erstwhile Planning Commission to distribute central plan assistance among states. It considered multiple factors, including population, per capita income, and fiscal performance. Following the abolition of the Planning Commission and the merger of plan and non-plan expenditures, this formula lost its functional relevance in the current Indian fiscal transfer system.

26. (B) Article 263
Article 263 of the Constitution empowers the President to establish an Inter-State Council. This body serves as a forum for investigating and discussing subjects of common interest between the Union and the states. In the context of fiscal federalism, it provides a platform for states to

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82. Which of the following is considered the most critical negative consequence of Centrally Sponsored Schemes (CSS) on state autonomy?
(A) Increasing the state's capacity to borrow from central banks.
(B) Forcing states to rely exclusively on local body tax revenue.
(C) Mandating state funds, distorting local developmental goals.
(D) Leading to an immediate reduction in internal security funds.
(E) Answer not known

83. Arrange the following steps involved in determining the horizontal distribution formula in the logical order of policy execution:
I. Defining the parameters (e.g., Population, Area)
II. Assigning specific weightage to each parameter
III. Calculating each state's absolute share
IV. Assessing the total size of the divisible pool
(A) IV, I, II, III
(B) I, II, IV, III
(C) IV, II, I, III
(D) I, IV, II, III
(E) Answer not known

84. Which sequence best represents the chronological evolution of the population base used for Finance Commission devolution?
(A) Exclusive use of 1971 census → Mixed use of 1971 and 2011 census → Exclusive use of 2011 census
(B) Exclusive use of 2011 census → Mixed use of 1971 and 2011 census → Exclusive use of 1971 census
(C) Mixed use of 1971 and 2011 census → Exclusive use of 1971 census → Exclusive use of 2011 census
(D) Exclusive use of 1971 census → Exclusive use of 2011 census → Mixed use of 1971 and 2011 census
(E) Answer not known

85. Which of the following pairs regarding state fiscal indicators is correctly matched?
(A) Revenue Surplus - When current expenditure exceeds current receipts
(B) Fiscal Deficit - Total borrowing requirements of the state
(C) Primary Deficit - Fiscal deficit plus interest payments
(D) Own Non-Tax Revenue - SGST collections
(E) Answer not known

86. Consider the following statements about the additional terms of reference given to the 15th Finance Commission:
I. Exploring a separate mechanism for funding defense and internal security.
II. Recommending a permanent ban on state-level borrowing.
III. Assessing the impact of the GST transition.
Which of the above statement(s) is/are correct?
(A) I and III only
(B) II and III only
(C) I and II only
(D) I only
(E) Answer not known

87. What does the term "Divisible Pool" exactly refer to in Indian fiscal federalism?
(A) Foreign exchange reserves of the RBI meant for distribution.
(B) Funds collected by states to be shared with municipal bodies.
(C) Aggregated grants given to states for disaster relief goals.
(D) Specific Union tax proceeds mandated for sharing with states.
(E) Answer not known

88. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Tamil Nadu has frequently urged the Union government to merge surcharges and cesses into the divisible pool.
Reason (R): This merger would legally obligate the Union to share these revenues with the state under the Finance Commission formula.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

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89. Match the items in List I with the items in List II and select the correct answer from the options given below:
List I: (Commission/Formula)
P. 14th Finance Commission
Q. Gadgil-Mukherjee Formula
R. Sarkaria Commission
S. 15th Finance Commission
List II: (Key Feature)
I. Rationalisation of Centrally Sponsored Schemes
II. 42% vertical devolution
III. Introduced Demographic Performance criterion
IV. Allocation of normal central plan assistance
(A) P-II, Q-IV, R-I, S-III
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-IV, Q-II, R-I, S-III
(E) Answer not known

90. Identify the incorrect statement regarding the GST compensation mechanism.
(A) It was designed to compensate states for revenue loss arising from the transition to GST.
(B) It was designed to compensate states for revenue loss arising from the transition to GST.
(B) The compensation was constitutionally guaranteed for a period of exactly ten years.
(C) The base year for calculating the revenue loss was fixed as 2015-16.
(D) A specialized cess was levied to fund this compensation.
(E) Answer not known

91. Consider the following statements regarding the Finance Commission's approach to "Forest Cover":
I. It rewards states for maintaining ecology and forest cover.
II. It compensates states for the opportunity cost of maintaining forests instead of industrializing.
III. It was given a weight of 50% in the 15th Finance Commission.
IV. It was entirely eliminated as a criterion in the 14th Finance Commission.
V. It aims to align fiscal transfers with environmental sustainability.
Which of the above statement(s) is/are correct?
(A) I, II and V only
(B) I, II, III and V only
(C) II, III and V only
(D) I, IV and V only
(E) Answer not known

92. Which of the following provides the best explanation for the Centre's growing preference to levy cesses and surcharges?
(A) They are significantly easier to collect than direct taxes.
(B) They fall under the concurrent list for joint legislative.
(C) Revenue accrued does not have to be shared with the states.
(D) They are mandated by the Finance Commission's ToR mandate.
(E) Answer not known

93. Arrange the components of the "Horizontal Devolution Criteria" of the 15th Finance Commission in ascending order of their respective weightages:
I. Tax and Fiscal Efforts
II. Demographic Performance
III. Area
IV. Income Distance
(A) I, II, III, IV
(B) I, III, II, IV
(C) II, I, III, IV
(D) III, I, II, IV
(E) Answer not known

94. Which of the following pairs is incorrectly matched regarding fiscal terms?
(A) Vertical Devolution - Direct sharing between Centre/States.
(B) Horizontal Distribution - Inter-state tax revenue sharing.
(C) Revenue Deficit Grant - Untied funds for infrastructure use.
(D) Article 280 - Legal formation of the Finance Commissions.
(E) Answer not known

95. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.

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Assertion (A): Finance Commission reports are purely advisory in nature and not legally binding on the executive.
Reason (R): The Constitution strictly allows the Parliament to reject the entire report without providing an explanatory memorandum.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

96. Match the items in List I with the items in List II and select the correct answer from the options given below:
List I: (Taxes in India)
P. Income Tax
Q. SGST
R. Health Cess
S. Property Tax
List II: (Type/Nature)
I. Local Body Revenue
II. Divisible Pool Tax
III. State Own Tax Revenue
IV. Union Retained Revenue
(A) P-II, Q-III, R-IV, S-I
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-II, R-I, S-IV
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

97. Identify the correct statement regarding local body finances in India.
(A) State Finance Commissions play a crucial role in determining state tax devolution to local bodies.
(B) Panchayats generate the majority of their revenue from their own tax collections.
(C) The Central Finance Commission has completely stopped allocating funds to municipalities since 2015.
(D) Article 243H restricts states from transferring any funds to Panchayats.
(E) Answer not known

98. Consider the following statements regarding the role of the President in the Finance Commission:
I. The President constitutes the Finance Commission every fifth year or earlier.
II. The President dictates the exact vertical devolution percentage.
III. The President's order details the specific terms of reference for the Commission.
Which of the above statement(s) is/are correct?
(A) I and III only
(B) II and III only
(C) I and II only
(D) I only
(E) Answer not known

99. Which of the following represents a major concern for well-performing states like Tamil Nadu regarding the "Income Distance" criterion?
(A) Redistributes wealth to low income states, ignoring effort.
(B) Provides excess funds to states that manage their economies.
(C) Forces states to reduce tax revenues for qualifying grants.
(D) Targets manufacturing states for specific financial penalty.
(E) Answer not known

100. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The 14th Finance Commission's recommendation to increase the states' share to 42% significantly enhanced state autonomy.
Reason (R): It allowed states more untied funds to plan their own developmental expenditures according to local priorities, reducing reliance on tied schematic transfers.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

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ANSWERS

1. (A) Article 280
Article 280 of the Indian Constitution mandates the President to constitute a Finance Commission every five years. This body recommends the distribution of net tax proceeds between the Union and the States. It also suggests principles for grants-in-aid to states from the Consolidated Fund of India, ensuring a balanced fiscal relationship between different levels of government.

2. (D) A is false but R is true.
Recommendations provided by the Finance Commission serve as advisory guidelines rather than mandatory requirements for the executive branch. However, the government is constitutionally required to present the Commission's report before both Houses of Parliament. This presentation must include an explanatory memorandum detailing the actions taken on the recommendations, ensuring transparency and accountability in the federal fiscal framework.

3. (A) P-III, Q-I, R-IV, S-II
The Indian Constitution contains various articles to manage federal relations. Article 280 establishes the Finance Commission for revenue sharing. Article 275 provides for statutory grants-in-aid to specific states. Article 293 regulates state government borrowings, ensuring fiscal discipline. Finally, Article 263 authorizes the creation of an Inter-state Council to facilitate coordination and resolve disputes between the Union and states.

4. (D) It consists of a Chairman and four other members appointed by the President.
The Finance Commission is a constitutional body established under Article 280. It consists of a Chairman and four other members appointed by the President of India. These appointments are made every five years or earlier as deemed necessary. The Qualifications Act of 1951 specifies the eligibility criteria for these members to ensure expertise in finance, administration, and law.

5. (B) I and III only
Members of the Finance Commission are selected based on specific qualifications defined by Parliament. They must possess specialized knowledge in economics, finance, or public administration. While the Chairman should have experience in public affairs, other members are often experts in judicial matters or financial management. It is not mandatory for all members to be sitting judges of the Supreme Court.

6. (C) Tax sharing between the Union and State governments.
Vertical devolution refers to the percentage of the central divisible tax pool that is transferred from the Union government to the state governments. This mechanism addresses the vertical fiscal imbalance where the Union collects the majority of taxes while states handle significant expenditure responsibilities. The Finance Commission determines this ratio to ensure states have adequate resources for developmental needs.

7. (A) II, I, IV, III
The sequence of Finance Commissions follows their numerical order of constitution. The First Commission was formed in 1951 under K.C. Neogy. Subsequent commissions followed at five-year intervals. The Thirteenth Commission preceded the Fourteenth, which significantly increased state shares. The Fifteenth Commission, chaired by N.K. Singh, is the most recent, providing recommendations for the period starting from 2020 to 2021.

8. (A) Constitution by President → Submitting report to President → Tabling report in Parliament → Government issues action taken report
The implementation of Finance Commission recommendations follows a structured constitutional process. First, the President constitutes the commission and defines its terms of reference. After deliberation, the commission submits its final report to the President. Subsequently, the report is tabled in both Houses of Parliament. Finally, the government issues an

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explanatory memorandum or action taken report on the proposed recommendations.

9. (B) Thirteenth Finance Commission - K.C. Pant
The leadership of various Finance Commissions is a key aspect of Indian fiscal history. The First Commission was headed by K.C. Neogy in 1951. Y.V. Reddy chaired the Fourteenth Commission, while N.K. Singh led the Fifteenth. However, the Thirteenth Finance Commission was actually chaired by Vijay Kelkar, whereas K.C. Pant was the chairman of the Tenth Finance Commission.

10. (A) I, II and IV only
The divisible pool consists of taxes collected by the Union that are shared with the states. This includes income tax, corporate tax, GST, and central excise duties. However, Article 271 allows the Union to levy surcharges and cesses for specific purposes, which are excluded from this shared pool. Consequently, these amounts are retained exclusively by the central government.

11. (A) Length of international border
The 15th Finance Commission utilized several criteria for horizontal distribution among states to ensure equity and efficiency. These included income distance, area, and population based on the 2011 census. Additionally, demographic performance and forest cover were considered to reward efficiency and environmental conservation. However, the length of international borders was not a specific criterion used for the tax devolution formula.

12. (A) Both A and R are true and R is the correct explanation of A.
The 14th Finance Commission introduced a major shift in fiscal federalism by recommending a substantial increase in the vertical devolution of taxes. By raising the states' share from 32 percent to 42 percent, it aimed to provide states with greater untied resources. This move enhanced the fiscal autonomy of states, allowing them to better address local developmental priorities.

13. (A) P-IV, Q-I, R-II, S-III
Devolution percentages have evolved across different Finance Commissions. The First Commission established the foundational framework for revenue sharing. The Thirteenth Commission recommended a 32 percent share for states. The Fourteenth Commission significantly increased this to 42 percent to enhance state autonomy. The Fifteenth Commission adjusted the share to 41 percent to account for the newly created Union Territories.

14. (C) Concerns that the 2011 census penalizes population control.
Tamil Nadu and other southern states expressed significant concerns regarding the 15th Finance Commission's mandate to use the 2011 census data. They argued that this approach penalizes states that successfully implemented national population control policies over previous decades. Using more recent population figures reduced their relative share compared to states with higher population growth rates, impacting their fiscal receipts.

15. (C) II, III and V only
For horizontal distribution, the 15th Finance Commission prioritized income distance as the highest weighted criterion to address regional disparities. It explicitly introduced demographic performance to reward states for lowering fertility rates. The area of the state remains a standard factor. Notably, it used the 2011 census instead of 1971 and retained forest and ecology as a vital environmental criterion.

16. (D) Union revenue exceeds state revenue while states spend more.
Vertical fiscal imbalance occurs because the Constitution assigns more buoyant tax sources, like income and corporate taxes, to the Union government. Conversely, states are responsible for significant expenditures in sectors like health, education, and agriculture. This mismatch between revenue-raising capacity and expenditure responsibilities necessitates the transfer of resources from the central government to the state governments.

17. (A) Variation in revenue and expenditure needs across various states.
Horizontal fiscal imbalance refers to the disparities existing among various states regarding their ability to generate revenue and their specific expenditure requirements. Differences in natural resources, industrialization, and demographic profiles lead to varying fiscal capacities. The Finance Commission uses a horizontal devolution

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Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I only
(D) III only
(E) Answer not known

76. What is the primary purpose of Article 275 of the Indian Constitution?
(A) To lay down the procedure for the impeachment of the President.
(B) To govern the distribution of GST revenues.
(C) To authorize statutory grants-in-aid to states in need of assistance.
(D) To define the borrowing powers of local municipalities.
(E) Answer not known

77. Which of the following best categorizes the "Demographic Performance" criterion introduced by the 15th Finance Commission?
(A) A penalty mechanism for states maintaining large forest covers.
(B) A neutral benchmark for evaluating state economic growth data.
(C) A direct replacement for the income distance evaluation tool.
(D) Reward for states that have lowered their Total Fertility Rate.
(E) Answer not known

78. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Grants given to local bodies by the Finance Commission are entirely untied.
Reason (R): The 15th Finance Commission stipulated that a significant portion of local body grants must be tied to specific national priorities like drinking water and sanitation.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

79. Match the items in List I with the items in List II and select the correct answer from the options given below:
List I: (Taxes/Duties)
P. Custom Duties
Q. Stamp Duties
R. State Excise on Alcohol
S. Income Tax
List II: (Authority)
I. Exclusively levied and collected by State
II. Levied and collected by Union
III. Levied by Union but collected by State
IV. Shared broadly in divisible pool
(A) P-II, Q-III, R-I, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-IV, Q-III, R-I, S-II
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

80. Identify the correct statement regarding "Special Category Status" in the current fiscal framework.
(A) Status restricted to northeastern states and removed for hills.
(B) Status ensures a state receives 100% of its budget from Union.
(C) Only states with massive revenue surpluses qualify for status.
(D) Tax devolution distinctions for state categories were removed.
(E) Answer not known

81. Consider the following statements about the Fiscal Responsibility and Budget Management (FRBM) limits:
I. They mandate states to maintain their fiscal deficit within a certain percentage of GSDP.
II. The Centre uses these limits to regulate state borrowings under Article 293.
III. States that breach FRBM limits are automatically dissolved.
IV. The Finance Commission provides specific glide paths for state fiscal consolidation.
Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) II, III and IV only
(C) I and III only
(D) II and IV only
(E) Answer not known

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raise concerns regarding tax sharing, grants, and other financial issues that affect federal relations.

27. (A) I, II, III, IV
For major industrialized states like Tamil Nadu, the State Goods and Services Tax (SGST) typically provides the largest share of own tax revenue. This is followed by state excise duty, primarily from the sale of alcohol. Stamp duty and registration fees from property transactions represent the third major category, while taxes on vehicles contribute a smaller but consistent portion of the revenue.

28. (A) National Disaster Response Fund → State Disaster Response Fund → District Authorities
Disaster relief funding in India follows a top-down hierarchical flow to ensure effective response. The National Disaster Response Fund (NDRF) provides supplementary support to states for calamities of a severe nature. Funds are then allocated to the State Disaster Response Fund (SDRF). From the state level, financial resources are distributed to district authorities who execute relief and rehabilitation measures on the ground.

29. (D) Long-term developmental loans sourced directly from the RBI.
State borrowing is governed by Article 293, which requires the Centre's consent if a state has outstanding liabilities to the Union. While the FRBM Act sets deficit limits, states do not source long-term developmental loans directly from the Reserve Bank of India. Instead, they primarily raise funds through Market Borrowings by issuing State Development Loans in the open market.

30. (A) I, II and IV only
Ways and Means Advances are short-term credit facilities provided by the Reserve Bank of India to state governments. This mechanism helps states manage temporary mismatches between their receipts and expenditures. It is not a grant from the Finance Commission. If a state exceeds its limits, it enters an overdraft facility, which is subject to stricter repayment conditions and higher interest rates.

31. (B) The 14th Finance Commission recommended increasing the number of Special Category States.
Special Category Status was historically granted to states with geographical or economic disadvantages, such as hilly terrain and strategic borders. These states received preferential central funding. However, the 14th Finance Commission did not recommend increasing their number; instead, it moved away from this distinction by significantly increasing the overall tax devolution to 42 percent for all states equally.

32. (A) Both A and R are true and R is the correct explanation of A.
Hill states face exceptional fiscal challenges due to their difficult terrain, sparse population, and high cost of providing public services. Infrastructure development in these regions is significantly more expensive compared to the plains. Consequently, they often require additional financial assistance from the Union government to bridge the gap between their limited revenue-raising capacity and their high developmental needs.

33. (A) P-I, Q-III, R-II, S-IV
The disaster management framework involves multiple entities and funds. The SDRF is the primary fund immediately available to states for disaster response. The NDRF acts as a supplementary fund for severe calamities. The Finance Commission recommends the total corpus and the sharing pattern for these funds. State governments are responsible for the actual execution of relief and recovery operations during disasters.

34. (C) A guaranteed 14% annual growth in GST revenue for five years.
When the Goods and Services Tax was introduced, states were concerned about potential revenue losses. To address this, the Union government provided a legal guarantee to compensate states for any shortfall in revenue for the first five years. The compensation was based on a projected 14 percent annual growth rate, using the state revenue of 2015-16 as the base year.

35. (A) I, II, III and V only
The financial health of local bodies is supported by several constitutional provisions and institutions. Articles 243H and 243X empower Panchayats and Municipalities to levy taxes. The

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Central Finance Commission provides grants to supplement their resources, while State Finance Commissions review their financial status. Although local bodies rely on grants, property tax is not prohibited; it is actually a major revenue source.

36. (D) Transferring resources to enable comparable service levels.
The equalisation principle is a core concept in fiscal federalism used by the Finance Commission. It aims to ensure that every state government has sufficient financial resources to provide a comparable level of basic public services to its citizens at a similar level of taxation effort. This principle helps reduce regional disparities and promotes balanced development across the different states of the country.

37. (B) Tamil Nadu
Tamil Nadu has been a vocal critic of the criteria used in recent Finance Commission formulas. The state argues that its success in population control and effective fiscal management has led to a reduction in its share of central tax devolution. By heavily weighting population and income distance, the formula tends to redistribute more resources to states with higher growth rates and lower incomes.

38. (A) Income Distance → Population → Area → Demographic Performance
The 15th Finance Commission assigned specific weights to various criteria for horizontal distribution. Income distance received the highest weightage at 45 percent to address equity. This was followed by population and area, each receiving 15 percent. Demographic performance was weighted at 12.5 percent, while forest and ecology received 10 percent, and tax effort was assigned the remaining 2.5 percent for the formula.

39. (D) Performance Grants - Grants given for meeting specific financial performance conditions.
Local body grants from the Finance Commission are categorized based on their usage rules. Basic or untied grants can be used for local priorities. Tied grants are restricted to specific sectors like sanitation and water. Performance grants are unique because they are only released if local bodies meet predefined criteria, such as improving revenue collection or maintaining updated, audited financial accounts.

40. (A) Both A and R are true and R is the correct explanation of A.
The end of the five-year GST compensation period in June 2022 caused significant concern for many states. During this period, states were protected by a guaranteed 14 percent revenue growth. The cessation of these payments meant that states had to rely entirely on their actual SGST collections and tax devolution, leading to fears of a substantial revenue gap and fiscal instability.

41. (B) Statutory Grants
Grants recommended by the Finance Commission under Article 275 of the Constitution are known as statutory grants. These grants are charged to the Consolidated Fund of India and are provided to states that the Commission identifies as being in need of assistance. Unlike discretionary transfers, these are based on transparent, objective criteria to help states bridge their revenue-expenditure gaps.

42. (A) P-I, Q-II, R-III, S-IV
The divisible pool includes major central taxes such as corporate tax and Central GST, which are shared with state governments. However, certain levies like the Health and Education Cess and various surcharges on income tax are excluded. These excluded amounts are retained entirely by the Union government, which reduces the overall proportion of total central tax collections available for distribution to states.

43. (A) II, III and IV only
Centrally Sponsored Schemes are programs implemented by state governments but partially funded by the Union. Unlike Central Sector Schemes which are 100% funded by the Centre, CSS require states to provide a matching contribution. These schemes usually focus on subjects in the State List. High-priority Core of the Core schemes typically receive a higher proportion of central funding than optional schemes.

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44. (B) Tamil Nadu has historically maintained an absolute zero fiscal deficit.
Tamil Nadu is known for its strong industrial base and high share of own tax revenue. It has also been vocal about the decline in its vertical devolution share. While the state strives for fiscal discipline, it has not maintained an absolute zero fiscal deficit; like most states, it carries some level of deficit to fund capital investments and developmental projects.

45. (C) I and II only
The 13th Finance Commission, chaired by Vijay Kelkar, recommended a vertical devolution of 32 percent of the divisible pool to the states. It focused on fiscal consolidation and introduced reforms in the management of local body grants. While it emphasized performance, the primary characteristics associated with this commission are its leadership and the specific percentage of revenue sharing it proposed for the states.

46. (C) The mandate to use the 2011 census, which penalised states with lower population growth.
A major controversy arose when the 15th Finance Commission was mandated to use the 2011 census as the basis for population-related criteria. States that had successfully implemented population control measures argued that using recent data would reduce their share of funds. They preferred the 1971 census, which had been used for decades to avoid penalizing states for their demographic achievements.

47. (A) I, II, III, IV
The fiscal landscape of India has seen significant changes in the last decade. The 14th Finance Commission was constituted first, followed by the abolition of the Planning Commission in 2015. The Goods and Services Tax was then introduced in 2017 to unify the indirect tax system. Finally, the five-year guarantee for GST compensation provided to states concluded in June 2022.

48. (A) Core of the Core Schemes → Core Schemes → Optional Schemes
Centrally Sponsored Schemes are categorized into three levels to prioritize central funding. Core of the Core schemes, which include major social protection programs like MGNREGA, receive the highest priority and central support. Core schemes cover most other developmental programs with standard sharing ratios. Optional schemes have the lowest priority, giving states more flexibility but typically offering lower levels of central assistance.

49. (A) Article 275 - Statutory grants-in-aid to states
The Indian Constitution provides specific articles for financial transfers. Article 275 is correctly matched with statutory grants-in-aid provided to states based on the Finance Commission's recommendations. Article 280 deals with the Union Finance Commission itself. Articles 243H and 243X relate to the financial powers of Panchayats and Municipalities respectively, but the primary mechanism for statutory federal grants remains Article 275.

50. (A) I, II and IV only
To fund GST compensation, a specific cess was levied on luxury and demerit goods like tobacco and aerated drinks. This guarantee was intended to last for five years, not ten, to help states transition to the new tax regime. After this period, states must rely on their regular SGST collections and the standard tax devolution from the Union divisible pool.

51. (A) Mandate and guidelines for the Commission's recommendations.
The Terms of Reference are the specific instructions and guidelines issued by the President of India when constituting a Finance Commission. The ToR define the scope of the commission's work, including the criteria it should consider for devolution and any additional matters it must examine. These guidelines significantly influence the final recommendations regarding the distribution of national financial resources.

52. (A) Both A and R are true and R is the correct explanation of A.
Friction between the Union and states has increased because the Centre frequently uses cesses and surcharges to raise revenue. Since these are not included in the divisible pool, they are not shared with the states. This practice effectively reduces the total percentage of the Union's gross tax revenue that is actually devolved, even if the official devolution percentage remains high.

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71. (D) They ensure uniform implementation of national priorities across all states.
From the Union government's perspective, Centrally Sponsored Schemes are an effective tool for ensuring that national developmental priorities are implemented uniformly across all states. By providing partial funding and setting specific guidelines, the Centre can encourage states to focus on sectors like education, health, and sanitation that are critical for the country's overall progress, regardless of varying state-level priorities.

72. (A) Both A and R are true and R is the correct explanation of A.
Southern states like Tamil Nadu often receive a lower share per capita because the horizontal devolution formula heavily weights population size and income distance. Since these states have lower population growth and higher per capita incomes due to better development, they appear wealthier in the formula. This results in more funds being diverted to more populous and lower-income states.

73. (A) Union Government → State Governments → Local Bodies
In India, the taxation powers are distributed hierarchically. The Union government possesses the most buoyant and extensive tax collection capacity, including income tax, corporate tax, and customs. State governments follow with powers over SGST, excise on liquor, and property duties. Local bodies have the least inherent tax revenue collection capacity, often relying on narrow bases like property taxes and user charges.

74. (B) Devolution percentage - 41%
The 15th Finance Commission is correctly identified by several key features. Its Chairman is N.K. Singh, not Y.V. Reddy. It recommended a vertical devolution of 41 percent to the states. Its recommendation period covers 2021-2026, and it notably shifted the base population year for its formula exclusively to the 2011 census, whereas previous commissions primarily used 1971 data.

75. (A) I and II only
State Finance Commissions were mandated by the 73rd and 74th Constitutional Amendments to strengthen the third tier of government. Their primary role is to determine the principles for devolving funds from the state to Panchayats and Municipalities. While their reports are supposed to be tabled in the state legislature, they have historically faced challenges regarding timely constitution and the implementation of recommendations.

76. (C) To authorize statutory grants-in-aid to states in need of assistance.
Article 275 of the Constitution is a critical provision for fiscal federalism. It authorizes the Parliament to provide statutory grants-in-aid from the Consolidated Fund of India to states that are in need of financial assistance. These grants are separate from tax devolution and are recommended by the Finance Commission primarily to help states bridge their non-plan revenue deficits and developmental gaps.

77. (D) Reward for states that have lowered their Total Fertility Rate.
The Demographic Performance criterion was introduced by the 15th Finance Commission to address concerns from states that had successfully implemented population control. It rewards states that have achieved a lower Total Fertility Rate. This criterion acts as a balancing factor, compensating states that might otherwise lose out in the devolution formula due to the use of more recent population data from 2011.

78. (D) A is false but R is true.
It is incorrect to say that all grants to local bodies are untied. The 15th Finance Commission explicitly stipulated that a significant portion of these grants must be tied to specific national priorities. This means local bodies must use those specific funds for projects like improving drinking water supply, sanitation, and solid waste management, rather than using them for general purposes.

79. (A) P-II, Q-III, R-I, S-IV
The Constitution divides taxation powers clearly. Customs duties are exclusively levied and collected by the Union. Stamp duties are levied by the Union but collected and retained by states. State excise on alcohol is exclusively a state-level tax. Income tax is collected by the Union but its proceeds are shared broadly with the states through the central divisible pool.

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62. (A) Special Drawing Facility → Normal Ways and Means Advances → Overdraft
The RBI provides a tiered system for liquidity management. States first utilize the Special Drawing Facility, which is backed by their holdings of government securities. Once this is exhausted, they move to Normal Ways and Means Advances, which are unsecured. If these limits are also exceeded, the state enters an Overdraft status, which is the final and most expensive stage of short-term borrowing.

63. (B) Demographic Performance - 25.0%
The 15th Finance Commission used a specific weighting system: Income Distance at 45%, Population and Area each at 15%, and Forest and Ecology at 10%. Demographic Performance was actually given a weight of 12.5%, and Tax Effort was given 2.5%. Therefore, the assertion that demographic performance received 25 percent is incorrect according to the final commission report.

64. (D) Union collects most revenue while states handle most expenditure.
A fundamental structural issue in Indian fiscal federalism is the mismatch between revenue powers and expenditure responsibilities. The Union government has the authority to collect the most buoyant and productive taxes, like income and corporate taxes. However, the states are responsible for the bulk of social and developmental expenditures, including health, education, and rural development, leading to chronic fiscal dependence.

65. (A) I and II only
Disaster management funds are split between the national and state levels. The NDRF is managed by the Centre, while the SDRF is available to states. Both funds involve a sharing pattern between the Union and states, usually 75:25 for general states. The Finance Commission plays a key role in recommending the corpus for these funds, which are separate from the regular vertical tax devolution.

66. (A) Both A and R are true and R is the correct explanation of A.
The 15th Finance Commission recommended a 41 percent devolution share for the states, a slight decrease from the 14th Commission's 42 percent. This 1 percent adjustment was specifically made to provide for the financial needs of the newly created Union Territories of Jammu & Kashmir and Ladakh, which are now funded through the central government's share of resources.

67. (A) P-III, Q-II, R-I, S-IV
Different fiscal concepts impact states uniquely. Demographic performance rewards states with lower fertility rates. Tied funds in Centrally Sponsored Schemes limit a state's flexibility in spending. The implementation of GST resulted in states losing their independent power to tax goods. Finally, achieving a revenue surplus status typically makes a state ineligible to receive certain revenue deficit grants provided under Article 275.

68. (D) Difference from the highest state's per capita income level.
Income distance is a measure used to evaluate the economic disparity between states. It is calculated as the gap between the per capita income of a particular state and the per capita income of the state with the highest income. This criterion ensures that states with lower fiscal capacity receive a larger share of devolved taxes to promote equity and balanced regional development.

69. (A) II, IV and V only
The Inter-State Council is a constitutional body established under Article 263, as recommended by the Sarkaria Commission. Its primary role is to facilitate dialogue and cooperation between the Union and the states on various issues, including fiscal policies. It is not an ad-hoc body of the Finance Commission, nor does it have the power to override the Commission's recommendations.

70. (C) It recommended a vertical devolution of 42 percent.
The First Finance Commission was established in 1951 and chaired by K.C. Neogy. It played a pioneering role in setting up the initial framework for vertical and horizontal tax devolution in independent India. However, it did not recommend a 42 percent share; that high level of devolution was only reached much later with the 14th Finance Commission's recommendations.

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actual volume of funds devolved, addressing the shrinking share of states in total revenue.

89. (A) P-II, Q-IV, R-I, S-III
Various commissions and formulas have shaped Indian fiscal policy. The 14th Finance Commission is known for the 42% devolution. The Gadgil-Mukherjee formula was used for central plan assistance. The Sarkaria Commission focused on overall Centre-State relations, including scheme rationalization. The 15th Finance Commission introduced the demographic performance criterion to reward states for their efforts in population management and health indicators.

90. (B) The compensation was constitutionally guaranteed for a period of exactly ten years.
The GST compensation mechanism was a crucial transitional tool designed to protect state revenues for the first five years of the new tax regime. It used 2015-16 as the base year and was funded through a specialized compensation cess. However, the constitutional guarantee for this compensation was limited to exactly five years, ending in June 2022, rather than a ten-year period.

91. (A) I, II and V only
The Finance Commission includes forest and ecology cover in its formula to reward states for preserving their natural environment. This criterion compensates states for the opportunity cost of not being able to use forested land for industrial or agricultural development. It aligns fiscal transfers with national environmental goals. It was not eliminated in the 14th Commission and did not receive a 50% weight.

92. (C) Revenue accrued does not have to be shared with the states.
The primary reason the Union government prefers levying cesses and surcharges over increasing basic tax rates is that these revenues do not form part of the divisible pool. Under Article 271, the Centre can retain the entire amount collected through these levies for specific purposes. This allows the central government to increase its revenue without being constitutionally obligated to share it.

93. (A) I, II, III, IV
The criteria for horizontal devolution in the 15th Finance Commission have varying levels of importance. Tax and fiscal effort has the lowest weight at 2.5 percent. Demographic performance follows at 12.5 percent. Area and population are each assigned 15 percent. Finally, income distance has the highest weightage at 45 percent, making it the most significant factor in determining each individual state's share.

94. (C) Revenue Deficit Grant - Untied funds for infrastructure use.
Revenue deficit grants provided under Article 275 are intended to help states meet their operational expenditure gaps in their revenue accounts. They are not specifically untied funds for infrastructure, as infrastructure spending typically falls under capital expenditure. Other terms are correctly matched: vertical devolution is sharing between Centre and States, and Article 280 governs the legal formation of the Finance Commission.

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95. (C) A is true but R is false.
While the Finance Commission's recommendations are technically advisory and not legally binding, they are almost always accepted by the government. However, if the government chooses to reject any recommendation, the Constitution requires it to table an explanatory memorandum in Parliament. This document must state the reasons for such actions, preventing the arbitrary rejection of the Commission's expert findings and providing transparency.

96. (A) P-II, Q-III, R-IV, S-I
Different taxes are classified based on their distribution. Income tax is a central tax included in the divisible pool. SGST is a component of state own tax revenue. The Health Cess is a levy retained exclusively by the Union government. Property tax is a major source of revenue for local bodies like municipalities and panchayats, helping them fund local services.

97. (A) State Finance Commissions play a crucial role in determining state tax devolution to local bodies.
State Finance Commissions are essential for local governance as they recommend the distribution of state revenues to Panchayats and Municipalities.

80. (D) Tax devolution distinctions for state categories were removed.
In the current fiscal framework, particularly following the 14th Finance Commission's recommendations, the formal distinction between General and Special Category states for tax devolution has been largely removed. While some states still receive different funding ratios for Centrally Sponsored Schemes, the horizontal tax devolution formula now applies a uniform set of criteria to all states across the country.

81. (A) I, II and IV only
The FRBM Act requires states to keep their fiscal deficits within specified limits, usually 3 percent of GSDP. The Centre monitors these limits when granting consent for state borrowings under Article 293. The Finance Commission often suggests a fiscal consolidation path. However, breaching these limits does not lead to the automatic dissolution of a state government; instead, it results in restricted borrowing powers.

82. (C) Mandating state funds, distorting local developmental goals.
The most critical impact of Centrally Sponsored Schemes on state autonomy is the requirement for matching contributions. By forcing states to spend their own limited revenue on centrally designed programs, the Union government can effectively dictate a state's expenditure priorities. This often diverts funds from unique local needs or state-specific schemes, thereby undermining the fiscal and policy autonomy of states.

83. (A) IV, I, II, III
The process of horizontal distribution begins by assessing the total size of the divisible pool available for sharing. Next, the Commission defines the parameters, such as population and area, to be used in the formula. It then assigns specific weightage to each of these parameters. Finally, it calculates the absolute financial share for each state based on the completed formula results.

84. (A) Exclusive use of 1971 census → Mixed use of 1971 and 2011 census → Exclusive use of 2011 census
For many years, the Finance Commission used the 1971 census to reward population control. The 14th Commission introduced a mixed approach, using both 1971 and 2011 data with different weights. The 15th Finance Commission completed the transition by using only the 2011 census for population-related criteria, while introducing demographic performance as a separate factor to balance the interests of well-performing states.

85. (B) Fiscal Deficit - Total borrowing requirements of the state
In fiscal terminology, the fiscal deficit represents the total amount of money that a government needs to borrow to cover its expenses. Revenue surplus occurs when receipts exceed current expenditures. The primary deficit is the fiscal deficit minus interest payments. Own non-tax revenue includes fees and royalties, while SGST is a major part of own tax revenue for state governments.

86. (A) I and III only
The 15th Finance Commission was given additional mandates beyond the standard tax devolution. These included examining the creation of a separate, non-lapsable fund for modernizing defense and internal security. It was also tasked with assessing the impact of the GST transition on state finances. There was no recommendation to permanently ban state-level borrowing, as borrowing is a constitutional right.

87. (D) Specific Union tax proceeds mandated for sharing with states.
The divisible pool is the total collection of central taxes that are constitutionally required to be shared with the state governments. This includes proceeds from income tax, corporate tax, GST, and central excise. The Finance Commission determines what percentage of this pool goes to the states collectively and how it is then divided among the individual states based on various criteria.

88. (A) Both A and R are true and R is the correct explanation of A.
Tamil Nadu has consistently argued that the Union's use of cesses and surcharges is a way to bypass tax sharing. By merging these into the divisible pool, the Union would be legally required to share a portion of these significant revenues with the states. This would increase the

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CHAPTER 07
Goods and Services Tax

1. Which of the following best defines the "cascading effect" of taxes in the context of the pre-GST indirect tax structure?
(A) The levying of a single comprehensive uniform tax across all categories of essential goods and services
(B) The shifting of the full tax burden from the manufacturer to the final consumer via price adjustments
(C) The total exclusion of essential commodities from the tax net to prevent the rise of general inflation
(D) The repeated taxation of a product at multiple stages without set-off credits for previous taxes paid
(E) Answer not known

2. The comprehensive indirect tax reform in India, which laid the conceptual groundwork for the Goods and Services Tax (GST), was primarily recommended by which of the following?
(A) Raja J. Chelliah Committee
(B) Sarkaria Commission
(C) Kelkar Task Force
(D) N.K. Singh Committee
(E) Answer not known

3. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Tamil Nadu, being a major manufacturing state, raised concerns regarding potential revenue loss during the introduction of GST.
Reason (R): GST is an origin-based tax system where the tax revenue accrues to the state where the goods are produced.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

4. Match the Constitutional Articles in List I with their respective provisions in List II:
List I: Constitutional Article
P. Article 246A
Q. Article 269A
R. Article 279A
S. 101st Constitutional Amendment Act
List II: Provision
I. Constitution of the GST Council
II. Concurrent power of Centre and States to levy GST
III. Introduction of GST in India
IV. Levy and collection of IGST on inter-state supply
(A) P-II, Q-IV, R-I, S-III
(B) P-IV, Q-II, R-I, S-III
(C) P-II, Q-IV, R-III, S-I
(D) P-I, Q-II, R-III, S-IV
(E) Answer not known

5. Consider the following statements regarding the voting mechanism in the GST Council:
I. The vote of the Central Government has a weightage of one-third of the total votes cast.
II. The votes of all State Governments combined have a weightage of two-thirds of the total votes cast.
III. Every decision of the GST Council must be taken by a majority of not less than two-thirds of the weighted votes of the members present and voting.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) I only
(E) Answer not known

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Contrary to other options, local bodies in India do not generate the majority of their revenue from their own taxes, and the Central Finance Commission continues to provide significant grants to municipalities. Article 243H actually empowers states to facilitate local taxation.

98. (A) I and III only
The President of India plays a formal role in the Finance Commission process by constituting the body every five years and setting its specific terms of reference. However, the President does not dictate the vertical devolution percentage; instead, the Commission independently studies the fiscal situation and recommends the percentage, which the President then typically accepts and implements through an order.

99. (A) Redistributes wealth to low income states, ignoring effort.
For economically advanced states like Tamil Nadu, the Income Distance criterion is a major concern because it prioritizes the redistribution of resources to states with lower per capita incomes. These states argue that the formula focuses too much on economic gaps and does not sufficiently reward states for their own efforts in industrialization and governance, effectively penalizing successful economic performance.

100. (A) Both A and R are true and R is the correct explanation of A.
The 14th Finance Commission's decision to raise the states' share to 42 percent was a landmark for fiscal autonomy. By providing a larger volume of untied funds, it allowed states to design and fund their own developmental projects based on local needs. This reduced their dependence on tied schematic transfers from the Centre, which often came with restrictive conditions and mismatched priorities.

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Answer the question by selecting the appropriate option.

Assertion (A): Under the Reverse Charge Mechanism (RCM) in GST, the liability to pay tax rests on the recipient of the goods or services.

Reason (R): RCM is typically applied in situations where the supplier is unregistered but the recipient is a registered GST dealer.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

14. Match the GST returns in List I with their correct descriptions in List II:

List I: GST Return
P. GSTR-1
Q. GSTR-3B
R. Annual Return
S. Reconciliation Statement

List II: Description
I. Monthly summary return filed by regular taxpayers
II. Details of outward supplies of taxable goods and/or services
III. Certified statement matching audited financials with GST returns
IV. Comprehensive yearly summary of all GST transactions

(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-IV, R-I, S-III
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

15. Consider the following items and determine if Input Tax Credit (ITC) is considered a "blocked credit" under Section 17(5) of the CGST Act:

I. Motor vehicles for personal transport with a seating capacity of less than 13 persons
II. Goods lost, stolen, destroyed, or written off
III. Goods given as gifts or free samples
IV. Services for personal consumption
V. Raw materials used for zero-rated exports

Which of the above statement(s) is/are correct?

(A) I, II, III and IV
(B) II, III, IV and V
(C) I, III, IV and V
(D) I, II and V
(E) Answer not known

16. Identify the correctly matched pair regarding pre-GST indirect taxes:

(A) Octroi - Tax levied by the Central Government on inter-state sales
(B) Central Sales Tax (CST) - Tax collected by local municipalities on entry of goods
(C) Value Added Tax (VAT) - State-level tax on intra-state sale of goods
(D) Central Excise Duty - Tax levied by States on manufacturing
(E) Answer not known

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17. Which of the following is an exception to the comprehensive inclusion of goods under the current GST levy?

(A) Under-construction real estate properties
(B) Precious metals and diamonds
(C) Agricultural processed goods
(D) Aviation Turbine Fuel (ATF) and Petroleum Crude
(E) Answer not known

18. What is the primary purpose of the GST Compensation Cess levied on items in the 28% slab?

(A) To fund national environmental protection initiatives and sustainable development projects
(B) To provide dedicated back-to-back liquidity loans to MSMEs affected by GST reforms
(C) To compensate states for revenue loss during the initial years of GST implementation
(D) To subsidize the export of zero-rated supplies to improve global trade competitiveness
(E) Answer not known

19. A registered dealer in Chennai (Tamil Nadu) provides IT consulting services to a registered business located in Bengaluru (Karnataka). Based on the Place of Supply rules, which tax will be levied on this transaction?

(A) CGST and Tamil Nadu SGST
(B) IGST
(C) CGST and Karnataka SGST
(D) Only CGST
(E) Answer not known

20. Consider the following GST tax slabs:

6. Identify the correctly matched pair regarding the dual GST structure:
(A) CGST - Levied by State Governments on intra-state supplies
(B) SGST - Levied by the Central Government on intra-state supplies
(C) IGST - Levied by the Central Government on inter-state supplies
(D) UTGST - Levied by State Legislatures for Union Territories
(E) Answer not known

7. Arrange the following milestones in the evolution of GST in India in chronological order:
1. Formation of the Empowered Committee of State Finance Ministers for GST design
2. Kelkar Task Force recommendation for a comprehensive GST
3. Enactment of the 101st Constitutional Amendment Act
4. Constitution of the GST Council under Article 279A

Which of the above statement(s) is/are correct?
(A) 1, 2, 3, 4
(B) 2, 1, 3, 4
(C) 2, 3, 1, 4
(D) 1, 3, 2, 4
(E) Answer not known

8. Under the current GST rate structure, what are the primary tax slabs applied to goods and services (excluding nil rate and special rates for precious metals)?
(A) 5%, 10%, 15%, 20%
(B) 8%, 12%, 18%, 24%
(C) 5%, 14%, 18%, 26%
(D) 5%, 12%, 18%, 28%
(E) Answer not known

9. Consider the following goods and services under the GST regime:
I. Essential healthcare services
II. Core agricultural produce
III. Educational services provided by recognized institutions
IV. Under-construction luxury residential properties

Which of the above statement(s) is/are correct regarding classified exempted goods and services?
(A) I, II and III
(B) II, III and IV
(C) I, III and IV
(D) I and IV
(E) Answer not known

10. Consider the following actions regarding the inter-state movement of goods exceeding the threshold limit under GST compliance:
1. Generation of E-way bill
2. Movement of goods
3. Filing of GSTR-1
4. Payment of IGST

Which of the following is the correct sequence of action?
(A) 1 → 2 → 3 → 4
(B) 3 → 4 → 1 → 2
(C) 2 → 1 → 4 → 3
(D) 4 → 3 → 1 → 2
(E) Answer not known

11. Which of the following statements correctly describes the Integrated Goods and Services Tax (IGST)?
(A) It is a tax collected by State Governments and retained entirely within the producing state's treasury.
(B) It is a mechanism that completely replaces the Central Excise Duty for all petroleum products.
(C) It is an additional surcharge levied on luxury goods to be shared equally among all states.
(D) It is levied by the Centre on inter-state supplies and shared with the destination state.
(E) Answer not known

12. Identify the incorrect statement regarding the GST Composition Scheme:
(A) Taxpayers opting for the composition scheme are eligible to claim Input Tax Credit (ITC).
(B) It is designed to reduce the compliance burden for small taxpayers.
(C) Taxpayers under this scheme must pay a flat rate of tax on their turnover.
(D) There is a specified maximum turnover limit to be eligible for this scheme.
(E) Answer not known

13. The following question consists of two statements—Assertion (A) and Reason (R).

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53. (A) P-I, Q-II, R-III, S-IV
Local body finances involve various levels of support. Panchayats collect their own non-tax revenue through user charges and fees. State Finance Commissions recommend the sharing of state revenues with local bodies. Article 243H empowers state legislatures to authorize Panchayats to levy taxes. Additionally, the Central Finance Commission provides grants as a third-tier of fiscal support to bridge the local financial gap.

54. (C) States require the Centre's consent to borrow if they have any outstanding loans owed to the Centre.
Under Article 293 of the Constitution, state governments have the power to borrow within the territory of India. However, if a state has any outstanding loan previously granted by the Union government, it must obtain the Centre's consent before raising fresh loans. This provision allows the Union to exercise control over state debts and ensure overall national fiscal stability and discipline.

55. (A) I and II only
The 14th Finance Commission, led by Y.V. Reddy, is landmark for increasing the states' share of the divisible pool from 32 percent to 42 percent. This commission did not abolish centrally sponsored schemes but recommended their rationalization. It also used both the 1971 and 2011 census data, whereas the 15th Commission was the first to use only the 2011 census data.

56. (A) Revenue from Stamp Duty and Registration.
State Own Tax Revenue refers to taxes that are both levied and collected by the state government itself. Stamp duty and registration fees on property transactions are a classic example of SOTR. In contrast, tax devolution from GST or Income Tax involves sharing revenues collected by the Union, while grants-in-aid are transfers from the central government's own resources.

57. (B) Area - Cost disability due to geography
In the horizontal distribution formula, Area is used as a proxy for the cost disability faced by states. Larger states often have higher costs for providing infrastructure and public services over a vast and sometimes difficult geography. Conversely, income distance measures economic disparity, forest cover represents environmental contribution, and demographic performance rewards successful population control and health management efforts.

58. (A) Both A and R are true and R is the correct explanation of A.
The abolition of the Planning Commission in 2015 led to the removal of the distinction between plan and non-plan expenditures. Previously, the Planning Commission handled plan transfers while the Finance Commission handled non-plan transfers. Now, the Finance Commission bears a larger responsibility for recommending statutory transfers, while other funds flow through Centrally Sponsored Schemes, simplifying the overall fiscal architecture.

59. (A) Export Duties
While many major taxes like income tax, corporate tax, and union excise duties are part of the divisible pool shared with states, certain duties are excluded. Export duties are generally not shared in the same way as the primary components of the divisible pool. The Constitution and subsequent amendments specify which taxes must be shared and which are retained exclusively by the Union.

60. (A) I and II only
Grants for local bodies from the Finance Commission are intended to support Panchayats and Municipalities in delivering essential services. These grants are often divided into basic and performance categories. While they help bridge the fiscal gap, they are not intended to replace the local bodies' own revenue-generation efforts; rather, they serve as a necessary supplement to their limited resources.

61. (A) I, II, III, IV
The percentage of tax devolution to states has generally followed an upward trend. The 11th Commission recommended 29.5 percent. This increased to 32 percent under the 13th Commission. The 14th Commission made a significant jump to 42 percent. The 15th Commission slightly adjusted this to 41 percent for the states to accommodate the funding requirements of the newly formed Union Territories.

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1. 12%
2. 5%
3. 28%
4. 18%

Which of the following represents the correct sequence in descending order of their application, starting from luxury/sin goods down to essential items?

(A) 3, 4, 1, 2
(B) 3, 1, 4, 2
(C) 4, 3, 1, 2
(D) 4, 1, 2, 3
(E) Answer not known

21. How does a "Zero-rated supply" differ from an "Exempted supply" under GST?

(A) For zero-rated supplies, the ITC can be claimed, whereas for exempted supplies, it cannot.
(B) Zero-rated supplies apply strictly to exports, while exempted supplies apply to agriculture.
(C) Both allow for ITC claims, but zero-rated supplies require a mandatory interstate e-way bill.
(D) Zero-rated supplies are taxed at 5% eventually, while exempted supplies are permanently free.
(E) Answer not known

22. When comparing the pre-GST regime with the GST regime, which structural shift best represents the "One Nation, One Tax" philosophy?

(A) The shift from consumption-based taxation to a manufacturing-based tax collection system
(B) The transfer of exclusive indirect taxation powers from the individual States to the Centre
(C) The removal of tax multiplicity and the resolution of the cascading tax effect
(D) The removal of all direct taxes to compensate for higher indirect taxes on the final consumer
(E) Answer not known

23. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): The generation of an e-way bill is mandatory for the inter-state movement of goods whose consignment value exceeds a specified threshold.

Reason (R): The e-way bill mechanism ensures that goods are physically tracked, thereby enforcing compliance and preventing tax evasion in the supply chain.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

24. Match the GST concepts in List I with their correct underlying rationales in List II:

List I: GST Concept
P. 28% Slab with Cess
Q. Zero-rated Supply
R. Seamless ITC Chain
S. National Anti-Profiteering Authority

List II: Underlying Rationale
I. To ensure tax rate reductions are passed on to consumers
II. To prevent the tax-on-tax (cascading) effect
III. To make exports internationally competitive
IV. To discourage the consumption of luxury and sin goods

(A) P-IV, Q-III, R-II, S-I
(B) P-III, Q-IV, R-I, S-II
(C) P-IV, Q-II, R-III, S-I
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

25. Consider the following statements regarding the GST Composition Scheme:

I. It is available to large manufacturing enterprises to boost exports.
II. Dealers opting for this scheme cannot issue a tax invoice and cannot collect tax from customers.
III. It involves filing simpler returns compared to regular registered taxpayers.

Which of the above statement(s) is/are correct?

(A) I and II
(B) II and III
(C) I and III
(D) II only
(E) Answer not known

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26. Identify the incorrectly matched pair regarding GST administrative bodies and their roles:
(A) GST Council - Recommends tax rates, exemptions, and various dispute resolution mechanisms
(B) GSTN - Manages the critical IT backbone for return filing and essential taxpayer services
(C) GST Appellate Authority - Conducts physical verification of border checkpoints for entry tax
(D) Anti-Profiteering Authority - Ensures businesses pass on tax benefits to the end consumers
(E) Answer not known

27. Which of the following is a primary feature of E-invoicing mandated for large taxpayers under GST?
(A) It eliminates the need for any SGST payments on luxury goods.
(B) It requires physical submission of all invoices to the Ministry.
(C) It allows large firms to block credit for small-scale vendors.
(D) It requires real-time B2B invoice reporting to the registration portal.
(E) Answer not known

28. Which of the following serves as the best example of a scenario where the "Place of Supply" rule is critical for deciding the tax type?
(A) A Chennai software firm providing customized IT solutions to a client in New York.
(B) A local farmer selling exempted agricultural produce in a rural village weekly market.
(C) An individual purchasing standard groceries for consumption within their home state.
(D) A large corporation paying annual income tax on its consolidated worldwide profits.
(E) Answer not known

29. Among the following measures, which is the most relevant for reducing the compliance burden on MSMEs under the GST regime?
(A) Introduction of the Reverse Charge Mechanism for all transactions
(B) Implementation of the Composition Scheme and quarterly return filing
(C) Mandatory E-invoicing for all levels of turnover
(D) Subjecting MSMEs to a mandatory annual GST audit regardless of turnover
(E) Answer not known

30. Arrange the following steps involved in claiming Input Tax Credit (ITC) efficiently under the GST network system:
1. Supplier files GSTR-1
2. Invoice reflects in recipient's GSTR-2B
3. Recipient claims ITC in GSTR-3B
4. Supplier pays tax

Which of the above statement(s) is/are correct?
(A) $1 \rightarrow 2 \rightarrow 3 \rightarrow 4$
(B) $1 \rightarrow 4 \rightarrow 2 \rightarrow 3$
(C) $3 \rightarrow 1 \rightarrow 4 \rightarrow 2$
(D) $2 \rightarrow 3 \rightarrow 4 \rightarrow 1$
(E) Answer not known

31. Based on the establishment of the National Anti-Profiteering Authority (NAPA) in the GST framework, what can be inferred about the government's economic priority during GST transition?
(A) It aimed to ensure price stabilization by preventing firms from absorbing tax benefits.
(B) It prioritized increasing inflation to boost manufacturing revenue for the Central Government.
(C) It aimed to fix standard prices for all commodities across the country regardless of name.
(D) It sought to penalize states that refused to adopt GST protocols by withholding central funds.
(E) Answer not known

32. What was the major disadvantage of the cascading effect of taxes in the pre-GST era that the GST aimed to resolve?
(A) It led to the artificial deflation of market prices for luxury goods in urban areas.
(B) It resulted in excessive revenue collection for local municipalities through octroi systems.
(C) It increased the final cost of goods by taxing already paid taxes at each stage.
(D) It simplified the tax compliance process at the cost of state revenues in manufacturing hubs.
(E) Answer not known

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33. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): The guaranteed GST compensation to states ceased post-June 2022, prompting the Centre to rely on back-to-back loans to cover shortfalls during the transition phase.

Reason (R): The 101st Constitutional Amendment Act mandated an indefinite compensation mechanism for states facing revenue deficits.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

34. Match the pre-GST taxes in List I with the authority in List II that originally levied them:

List I: Pre-GST Tax
P. Central Excise Duty
Q. Value Added Tax (VAT)
R. Service Tax
S. Entry Tax / Octroi

List II: Levying Authority
I. Local Municipalities / State Governments
II. State Governments
III. Central Government (on manufacturing)
IV. Central Government (on services)

(A) P-III, Q-II, R-IV, S-I
(B) P-II, Q-III, R-I, S-IV
(C) P-III, Q-IV, R-II, S-I
(D) P-I, Q-II, R-III, S-IV
(E) Answer not known

35. Consider the following statements about the Revenue Neutral Rate (RNR) in the context of GST:

I. RNR is the rate at which tax revenues for both the Centre and the States remain the same as in the pre-GST period.
II. The RNR committee was formulated to ensure that GST implementation does not lead to a massive revenue shock.
III. RNR is uniformly fixed at 28% for all commodities under GST.
IV. The calibration of GST rates heavily relied on the recommendations of the RNR committee.

Which of the above statement(s) is/are correct?
(A) I, II and IV
(B) I, III and IV
(C) II, III and IV
(D) I and II
(E) Answer not known

36. Identify the correctly matched pair of terms related to GST compensation:
(A) GST Compensation Period - 10 years from the date of implementation
(B) Cess Funding - Levied on essential agricultural commodities
(C) Base Year for Compensation - 2017-18
(D) Assumed Growth Rate for Compensation - 14% per annum compounded
(E) Answer not known

37. What does the term "Destination-based taxation" strictly imply in the GST framework?
(A) Tax revenue accrues to the state where the goods or services are ultimately consumed.
(B) Tax revenue accrues to the state where the goods or services are manufactured or originated.
(C) Tax is levied only when goods reach international destinations as exports.
(D) Tax is uniformly distributed among all states regardless of consumption or manufacturing.
(E) Answer not known

38. Which body played a crucial historic role in building political consensus and designing the initial draft of the GST prior to the formation of the GST Council?
(A) The NITI Aayog Governing Council
(B) The Inter-State Council
(C) The Empowered Committee of State Finance Ministers
(D) The Finance Commission of India
(E) Answer not known

39. For the GST Council to pass a decision regarding rate changes or exemptions, what is the minimum voting majority required?
(A) Three-fourths of the weighted votes of the members present and voting
(B) Two-thirds of the total members present

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77. Which of the following conditions is an exception to claiming Input Tax Credit (ITC)? (i.e., ITC cannot be claimed)
(A) When goods are used in the course or furtherance of a registered commercial business
(B) When goods are used for constructing an immovable property on one's own account
(C) When the taxpayer possesses a valid tax invoice for the specific goods being claimed
(D) When the supplier has paid the relevant tax to the government within the time limit
(E) Answer not known

78. What is the most appropriate reason for the government making E-invoicing mandatory for large taxpayers?
(A) To eventually replace the GST Council's role in rate-setting for luxury commodities.
(B) To curb fake invoices by ensuring real-time reporting of B2B transactions.
(C) To mandate that all transactions strictly occur in digital currencies or bank transfers.
(D) To shift the entire administrative burden of tax collection onto small MSME vendors.
(E) Answer not known

79. Under the concept of the Reverse Charge Mechanism (RCM), if a registered business hires a Goods Transport Agency (GTA) that has opted out of forwarding charge, who is responsible for paying the GST?
(A) The registered business receiving the service
(B) The driver of the transport vehicle used
(C) The Goods Transport Agency (GTA) itself
(D) The State Government where delivery occurs
(E) Answer not known

80. Arrange the following steps in the GST dispute resolution and adjudication process:
1. Issuance of Show Cause Notice (SCN) by the Adjudicating Authority
2. Passing of the original adjudication order
3. Order passed by the First Appellate Authority
4. Filing an appeal before the GST Appellate Tribunal (GSTAT)

Which of the above statement(s) is/are correct?
(A) 1, 2, 3, 4
(B) 4, 2, 3, 1
(C) 1, 3, 4, 2
(D) 4, 3, 2, 1
(E) Answer not known

81. Consider the following statements regarding the classification of supplies under GST:
I. Basic healthcare services are categorized as taxable supplies with a standard 18% IGST rate.
II. Educational services are categorized as exempted services with no Input Tax Credit available.

Which of the above statement(s) is/are correct?
(A) I only
(B) II only
(C) Both I and II
(D) Neither I nor II
(E) Answer not known

82. When comparing the Pre-GST Value Added Tax (VAT) with the current SGST, what is a fundamental constitutional difference?
(A) VAT was levied under the concurrent list, whereas SGST is under the state list.
(B) VAT was levied by the Centre, whereas SGST is levied by local panchayats.
(C) VAT was state-exclusive, while SGST power is concurrent via Article 246A.
(D) VAT applied to services, whereas SGST applies exclusively to the sale of goods.
(E) Answer not known

83. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The introduction of GST in India has promoted cooperative federalism.
Reason (R): The GST Council functions as a joint forum of the Centre and the States, where decisions require a three-fourths majority, preventing unilateral imposition by either side.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

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II. The composition scheme offers significant simplification benefits to eligible MSMEs.
III. MSMEs can freely claim ITC even if they opt for the composition scheme.
IV. Technology-driven mechanisms like single return systems have been introduced to aid MSME compliance.
V. GST formalisation restricts MSMEs from accessing institutional credit.

Which of the above statement(s) is/are correct?
(A) I, II, III and V
(B) I, II and IV
(C) II, III, IV and V
(D) I, IV and V
(E) Answer not known

46. Identify the correctly matched pair regarding GST thresholds for general category states:
(A) Threshold for mandatory E-invoicing (as of recent phases) - Rs. 500 Crores only
(B) Threshold for GST Registration for goods - Rs. 40 Lakhs turnover
(C) Threshold for Composition Scheme - Rs. 5 Crores turnover
(D) Threshold for inter-state E-way bill - Rs. 10,000 consignment value
(E) Answer not known

47. Which of the following taxes was NOT subsumed into the Goods and Services Tax (GST) framework?
(A) Basic Customs Duty
(B) Central Sales Tax (CST)
(C) Luxury Tax
(D) Entertainment Tax (levied by states)
(E) Answer not known

48. What is the most appropriate reason why Tamil Nadu, as a prominent manufacturing state, expressed reservations about the GST structure?
(A) GST prohibits states from exporting manufactured goods to other countries via direct trade.
(B) The GST Council gives veto power exclusively to consuming states for all major rate changes.
(C) Destination-based taxation shifts revenue from production hubs to consumption centers.
(D) Manufacturing states are not allowed to collect State GST (SGST) on intra-state supplies.
(E) Answer not known

49. A manufacturer buys raw materials worth ₹1000 and pays a GST of 10% (₹100). He adds a value of ₹500 and sells the finished good for ₹1500. Assuming the GST rate remains 10%, what is his net tax liability to be paid in cash after utilizing the Input Tax Credit (ITC)?
(A) ₹150
(B) ₹100
(C) ₹250
(D) ₹50
(E) Answer not known

50. Arrange the following sequence of steps in the revenue flow of a typical inter-state transaction (e.g., from Tamil Nadu to Kerala) under the IGST mechanism:
1. Supplier collects IGST
2. Centre collects IGST
3. Centre shares the revenue with the destination state (Kerala)

Which of the above statement(s) is/are correct?
(A) 1, 2, 3
(B) 2, 1, 3
(C) 3, 2, 1
(D) 1, 3, 2
(E) Answer not known

51. Based on GST classification rules, how are basic agricultural activities treated under the current tax regime?
(A) Classified under the highest tax slab due to the high profitability of commercialized farming
(B) Classified as exempted supplies to protect primary producers and ensure food security
(C) Classified as zero-rated supplies to encourage farming exports through full tax refund systems
(D) Classified under the reverse charge mechanism exclusively to ensure compliance by the end-users
(E) Answer not known

52. Compare the tax applicability of intra-state supply with inter-state supply under the dual GST model. Which of the following statements is true?
(A) Intra-state supply attracts IGST only, while

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inter-state supply attracts CGST and SGST.
(B) Both intra-state and inter-state supplies attract SGST only under the current fiscal rules.
(C) Intra-state supply is exempt from tax, while inter-state supply attracts UTGST exclusively.
(D) Intra-state supply attracts CGST and SGST, while inter-state supply attracts IGST.
(E) Answer not known

53. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The Goods and Services Tax Network (GSTN) acts as the IT backbone connecting taxpayers, banks, the Central government, and State governments.
Reason (R): GSTN facilitates seamless return filing, taxpayer registration, and real-time data reconciliation, ensuring the prevention of cascading taxes.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

54. Match the legal framework features in List I with their corresponding Constitutional Articles in List II:
List I: Legal Framework Feature
P. Power to make laws with respect to GST
Q. Levy and collection of GST in course of inter-state trade
R. Establishment of GST Council
S. Compensation to States for loss of revenue
List II: Constitutional Provision
I. GST (Compensation to States) Act, 2017
II. Article 269A
III. Article 246A
IV. Article 279A
(A) P-III, Q-II, R-IV, S-I
(B) P-II, Q-III, R-I, S-IV
(C) P-III, Q-IV, R-II, S-I
(D) P-I, Q-II, R-III, S-IV
(E) Answer not known

55. Consider the following statements regarding GST on Services:
I. It replaced the erstwhile Service Tax levied exclusively by the Central Government.
II. Determining the place of supply for cross-border digital services has become easier due to uniform GST rules.
III. Services are entirely exempt from the SGST component to promote the service sector.
Which of the above statement(s) is/are correct?
(A) I and III
(B) I and II
(C) II and III
(D) II only
(E) Answer not known

56. Identify the correctly matched pair regarding the dispute resolution and appellate mechanism under GST:
(A) Authority for Advance Ruling (AAR) - Adjudicates inter-state territorial disputes between two states
(B) GST Appellate Tribunal (GSTAT) - First forum for taxpayers against initial adjudication orders
(C) National Anti-Profiteering Authority - Hears appeals against cancellation of GST registration status
(D) Advance Ruling - Provides binding clarity on tax liability prior to executing a transaction
(E) Answer not known

57. Which of the following is a primary feature of the "Single Return System" introduced as a GST simplification measure?
(A) Combining SGST and CGST into a single consolidated tax rate for all goods and services
(B) Streamlining processes so taxpayers file one return containing all supply and credit details
(C) Abolishing the concept of Input Tax Credit altogether to reduce administrative complexity
(D) Allowing businesses to file returns once in five years to minimize the compliance burden
(E) Answer not known

58. Which of the following represents a classic example of a "Zero-rated supply" under GST?

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(A) Sale of fresh unpacked vegetables in a local weekly market
(B) Supply of alcoholic liquor for human consumption to high-end restaurants
(C) Export of readymade garments to the United Kingdom or other foreign nations
(D) Sale of luxury cars and high-end SUVs within the territory of Tamil Nadu
(E) Answer not known

59. Regarding the debate on the future of GST, which of the following is the most relevant reason states show reluctance to include petroleum products under the GST net?
(A) Inclusion would severely complicate the current e-way bill system for logistics providers.
(B) Petroleum products are currently considered zero-rated supplies under established international law.
(C) GST would make petroleum products excessively expensive, immediately harming all end consumers.
(D) States would lose the massive independent revenue they currently generate through high VAT.
(E) Answer not known

60. Arrange the sequence of appellate hierarchy under the GST dispute resolution mechanism from the lowest to the highest level:
1. High Court
2. Adjudicating Authority
3. Appellate Tribunal (GSTAT)
4. First Appellate Authority

Which of the above statement(s) is/are correct?
(A) 2, 4, 3, 1
(B) 4, 2, 3, 1
(C) 2, 3, 4, 1
(D) 4, 3, 2, 1
(E) Answer not known

61. Based on the concept of tax buoyancy under the GST regime, if the monthly GST collections cross the ₹1.5 lakh crore milestone consistently, what can be logically inferred about the Indian economy?
(A) The unorganized sector has entirely ceased to exist within the national manufacturing boundaries.
(B) Compliance is improving and the economy is formalising alongside steady growth.
(C) The Centre is unfairly retaining all revenues without transferring mandatory shares to the states.
(D) The tax rates have been covertly increased beyond the 28% ceiling for essential commodities.
(E) Answer not known

62. What is a key advantage of the dual GST structure (CGST + SGST) for the fiscal federalism of India?
(A) It grants the Central Government the sole power to decide all tax rates and slabs unilaterally.
(B) It allows both Centre and States to levy tax concurrently on a common base.
(C) It removes the fiscal autonomy of states entirely, ensuring perfect uniformity across all regions.
(D) It allows states to levy their own customs duty on international imports from foreign countries.
(E) Answer not known

63. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The GST framework ensures a seamless credit chain across the entire supply chain from manufacturer to retailer.
Reason (R): Input Tax Credit (ITC) allows businesses to deduct the tax they have already paid on inputs from their final output tax liability.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

64. Match the structural components of GST in List I with their specific functional descriptions in List II:
List I: Structural Component
P. CGST
Q. SGST
R. IGST

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S. UTGST

List II: Functional Description

I. Levied on intra-state supplies for regions without a legislative assembly
II. Collected by the Centre and shared with the destination state
III. Revenue accrues to the state on intra-state supplies
IV. Revenue accrues to the Centre on intra-state supplies

(A) P-IV, Q-III, R-II, S-I
(B) P-III, Q-IV, R-I, S-II
(C) P-IV, Q-II, R-III, S-I
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

65. Consider the following statements about the composition of the GST Council:

I. The Union Finance Minister serves as the Chairman.
II. The Union Minister of State in charge of Revenue or Finance is a member.
III. The Minister in charge of Finance or Taxation nominated by each State Government is a member.
IV. The Governor of the Reserve Bank of India acts as an ex-officio voting member.

Which of the above statement(s) is/are correct?

(A) I, II and III
(B) II, III and IV
(C) I, II and IV
(D) I and III
(E) Answer not known

66. Identify the incorrectly matched pair concerning GST compliance:

(A) ITC Eligibility - Requires possession of a valid tax invoice for verification purposes
(B) Zero-rated Supply - Allows refund of accumulated input tax credit for export businesses
(C) Blocked Credits - Available for personal consumption of goods by the taxpayer
(D) Composition Scheme - Prohibits collection of tax from customers during a sale transaction
(E) Answer not known

67. In GST terminology, what is the precise definition of "Input Tax Credit" (ITC)?

(A) A subsidized loan provided by the GST Council to small businesses for paying monthly taxes
(B) The mechanism of claiming credit for tax paid on inputs against tax payable on output
(C) A direct cash subsidy transferred to exporters' bank accounts by the Central Government
(D) The credit score assigned to a taxpayer by the GSTN based on their timely return filing
(E) Answer not known

68. Which Constitutional Article was newly inserted to provide for the establishment of the GST Council?

(A) Article 246A
(B) Article 269A
(C) Article 368
(D) Article 279A
(E) Answer not known

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69. In terms of ownership and operational nature, which of the following best describes the Goods and Services Tax Network (GSTN)?

(A) A non-profit company with government and private holdings, now fully government-owned.
(B) A 100% privately owned tech startup managing the national digital tax infrastructure exclusively.
(C) A fully state-owned entity operated and maintained exclusively by the government of Tamil Nadu.
(D) A subsidiary branch of the Reserve Bank of India managing all indirect tax collections and transfers.
(E) Answer not known

70. Arrange the sequence of legal incidence of tax during a standard inter-state transaction between a seller in Tamil Nadu and a buyer in Maharashtra:

1. Levy of IGST
2. Collection of IGST by Centre
3. Transfer of state share to Maharashtra

Which of the above statement(s) is/are correct?

(A) 1, 2, 3
(B) 2, 1, 3
(C) 3, 2, 1
(D) 1, 3, 2
(E) Answer not known

71. Identify the correct statement regarding the treatment of real estate under the GST framework:
(A) GST applies to under-construction properties, with concessional rates for affordable housing.
(B) Ready-to-move-in properties with a completion certificate attract a standard 18% GST rate.
(C) Land sale is considered a supply of service under Schedule II of the relevant CGST Act.
(D) Real estate developers can claim unlimited ITC on affordable housing projects under the flat scheme.
(E) Answer not known

72. Identify the incorrect statement concerning the GST Compensation to States:
(A) The compensation was primarily funded through a GST Compensation Cess levied on demerit and luxury goods.
(B) The projected nominal growth rate of revenue for calculating compensation was fixed at 14% per annum.
(C) Following the cessation of the guaranteed period in June 2022, the transition raised fiscal concerns for manufacturing states.
(D) The 101st Constitutional Amendment guaranteed compensation to states for exactly 10 years.
(E) Answer not known

73. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The implementation of the GST Compensation Cess on coal and tobacco helps fund the revenue shortfall of states.
Reason (R): The GST Council decided that the transition to a destination-based tax would inherently lead to a surge in revenue for manufacturing states, requiring them to compensate consuming states.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

74. Match the GST concepts in List I with their corresponding real-world impact or function in List II:
List I: GST Concept
P. Anti-profiteering measure
Q. E-invoicing
R. ITC Eligibility condition
S. GST Return (GSTR-1)
List II: Impact or Function
I. Real-time B2B reporting to curb fake invoices
II. Ensures tax reduction benefits reach consumers
III. Filing outward supply details
IV. Actual receipt of goods or services by the buyer
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-IV, R-I, S-III
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

75. Consider the following items to determine if they fall under the 28% GST slab and attract compensation cess:
I. Aerated waters
II. Tobacco and tobacco products
III. Life-saving drugs
IV. Motor cars
V. Caffeinated beverages
Which of the above statement(s) is/are correct?
(A) I, II, IV and V
(B) II, III, IV and V
(C) I, II, III and IV
(D) I, III and V
(E) Answer not known

76. Identify the correctly matched pair regarding goods entirely outside the purview of the GST (Article 366(12A)):
(A) Alcoholic liquor for human consumption - Constitutionally excluded from GST
(B) Electricity - Subsumed completely under the SGST framework for all residential users
(C) Aviation Turbine Fuel - Constitutionally and permanently banned from all future GST inclusion
(D) Tobacco - Constitutionally excluded from GST to protect state-level excise revenue sources
(E) Answer not known

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and voting
(C) Simple majority of the members present and voting
(D) Unanimous consent of all states and the Centre
(E) Answer not known

40. Arrange the following sequence of steps in the monthly GST return filing and payment cycle for a regular taxpayer:
1. Filing of GSTR-3B and payment of tax liability
2. Uploading outward supply invoices in GSTR-1
3. Verification of auto-populated input tax credit in GSTR-2B

Which of the above statement(s) is/are correct?
(A) 2, 3, 1
(B) 1, 2, 3
(C) 3, 2, 1
(D) 2, 1, 3
(E) Answer not known

41. Which of the following statements correctly highlights the significance of E-way bills in GST?
(A) It replaces the standard requirement for filing periodic GSTR-1 returns for inter-state suppliers.
(B) It acts as a digital passport allowing authorities to verify transactions during the movement of goods.
(C) It is required exclusively for the domestic movement of exempted or non-taxable agricultural goods.
(D) It provides instant cash tax refunds to exporters upon the physical border crossing of cargo goods.
(E) Answer not known

42. Identify the incorrect statement regarding the application of GST on agriculture in India:
(A) Core agricultural activities and raw agricultural produce are largely exempted from GST.
(B) GST is applicable to agri-processing industries that add value to raw agricultural products.
(C) Primary farmers face heavy compliance because they must register regardless of turnover.
(D) Certain agricultural machineries and inputs attract specific GST rates.
(E) Answer not known

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43. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Real estate developers cannot claim Input Tax Credit (ITC) on building materials for affordable housing projects opting for the new 1% GST flat rate.
Reason (R): The simplified flat rate scheme for affordable housing was introduced without the ITC facility to ease compliance and make housing cheaper for buyers.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

44. Match the GST tax slabs in List I with the rationale or category of goods in List II typically falling under them:
List I: GST Tax Slab
P. Nil Rate
Q. 5% Rate
R. 18% Rate
S. 28% Rate + Cess
List II: Category of Goods
I. Standard rate for most services and consumer durables
II. Essential mass-consumption goods
III. Luxury and demerit (sin) goods
IV. Unprocessed food grains and basic healthcare
(A) P-IV, Q-II, R-I, S-III
(B) P-II, Q-IV, R-III, S-I
(C) P-IV, Q-III, R-I, S-II
(D) P-I, Q-II, R-IV, S-III
(E) Answer not known

45. Consider the following statements regarding the impact of GST on Micro, Small and Medium Enterprises (MSMEs):
I. The initial phase of GST increased the compliance burden on MSMEs due to IT-driven return filings.

84. Match the GST returns or forms in List I with their core purpose in List II:
List I: GST Return/Form
P. GSTR-4
Q. GSTR-9
R. GSTR-1
S. CMP-08
List II: Core Purpose
I. Annual return for regular taxpayers
II. Return for composition scheme taxpayers
III. Outward supply details
IV. Statement for payment of self-assessed tax by composition dealers
(A) P-II, Q-I, R-III, S-IV
(B) P-I, Q-II, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

85. Consider the following statements about the GST Compensation Act, 2017:
I. It aimed to provide for compensation to the States for the loss of revenue arising on account of implementation of GST.
II. The compensation was calculated based on the base year of 2015-16.
III. It guarantees compensation for a period of five years.
Which of the above statement(s) is/are correct?
(A) I and III
(B) I and II
(C) II and III
(D) I only
(E) Answer not known

86. Identify the correctly matched pair regarding features of the GST system:
(A) Blocked Credits - ITC available on food and beverages provided to employees voluntarily
(B) Cascading effect - Taxing the value addition exclusively at each separate production stage
(C) Anti-profiteering - Ensuring consumers benefit from ITC and tax rate reductions
(D) GST Slabs - Only two uniform slabs (12% and 18%) across all goods and services
(E) Answer not known

87. Which feature of the GST framework represents the principle of "Cooperative Federalism" most effectively?
(A) The pooling of sovereignty by Centre and States to decide policies via the Council
(B) The power of the Centre to override state decisions in the GST Council periodically
(C) The transfer of indirect tax administration to the Central Board of Indirect Taxes
(D) The exclusion of petroleum from the GST base to protect state-level fiscal interests
(E) Answer not known

88. Which among the following is a classic example of items placed in the 5% GST tax slab?
(A) Luxury yachts used for international tourism and high-end private travel
(B) Unpacked fresh vegetables sold in local markets without branding
(C) Cinema tickets priced above ₹100 in urban multiplexes
(D) Edible oil and common spices used for mass consumption
(E) Answer not known

89. Which of the following is the least relevant factor contributing to the complexity of the pre-GST indirect tax structure?
(A) Multiplicity of taxes including Excise, VAT, CST, and the local Octroi system
(B) The uniformity of tax rates across all Indian states and territories
(C) Lack of cross-utilization of credit between Central and State-level taxes
(D) The cascading effect resulting in a tax being levied upon a tax
(E) Answer not known

90. Arrange the following sequence of constitutional and legislative steps for enacting GST in India:
1. Passage of 101st Amendment
2. Formation of GST Council
3. Recommendations by Council
4. Passage of CGST/SGST/IGST Acts
Which of the above statement(s) is/are correct?
(A) 1, 2, 3, 4
(B) 2, 1, 3, 4
(C) 4, 1, 2, 3
(D) 3, 1, 4, 2
(E) Answer not known

91. Based on the observation that GST revenue collections have consistently crossed ₹1.6 lakh

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product is made in one state, the tax revenue ultimately flows to the state consumed.

38. (C) The Empowered Committee of State Finance Ministers
The Empowered Committee of State Finance Ministers played a critical historic role in the lead-up to GST implementation. This body was instrumental in building political consensus among various states and drafting the initial design of the tax framework. Their collaborative efforts addressed regional concerns and paved the way for the eventual constitutional amendment and the formation of the GST Council.

39. (A) Three-fourths of the weighted votes of the members present and voting
For the GST Council to adopt any recommendation or change, it must secure a three-fourths majority of the weighted votes from members present and voting. This high threshold ensures that neither the Centre nor a small group of states can unilaterally impose decisions. It fosters a spirit of cooperative federalism by requiring broad agreement between the Union and states.

40. (A) 2, 3, 1
The monthly return filing cycle for a regular taxpayer follows a logical three-step progression. It begins with the supplier uploading outward supply invoices into GSTR-1. Next, the recipient verifies their eligible input tax credit, which is auto-populated in GSTR-2B based on supplier data. Finally, the taxpayer files GSTR-3B to declare their total tax liability and pays the net amount.

41. (B) It acts as a digital passport allowing authorities to verify transactions during the movement of goods.
An E-way bill functions as a digital passport for the transport of goods, providing a transparent record for tax authorities. By matching the physical movement of cargo with the details reported in tax returns, it helps identify discrepancies and prevent tax evasion. This real-time verification tool is essential for maintaining the integrity of the supply chain and ensuring correct payment.

42. (C) Primary farmers face heavy compliance because they must register regardless of turnover.
While GST covers most sectors, raw agricultural produce and primary farming activities are largely exempted to protect the livelihoods of farmers and ensure food security. Primary farmers are generally not required to register for GST unless they exceed high turnover thresholds. However, GST is applicable to agri-processing and certain agricultural inputs like machinery and fertilizers at specified rates.

43. (A) Both A and R are true and R is the correct explanation of A.
The government introduced a flat 1% GST rate for affordable housing projects to make them more accessible to buyers. To simplify this scheme and lower costs, developers are not permitted to claim Input Tax Credit on building materials. This trade-off between a lower tax rate and the removal of credit was designed to reduce the overall tax burden for buyers.

44. (A) P-IV, Q-II, R-I, S-III
GST slabs are categorized based on the nature of goods. The Nil rate applies to unprocessed food and basic healthcare. The 5% slab covers essential mass-consumption items. The 18% slab is the standard rate for most services and consumer durables. Finally, the 28% slab, often with an added cess, is reserved for luxury and demerit goods like tobacco.

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45. (B) I, II and IV
The introduction of GST had a complex impact on MSMEs. While it initially increased compliance burdens due to digital filing requirements, the Composition Scheme offered significant simplification. Technological advancements, such as the single return system, were later introduced to assist smaller firms. However, it is incorrect to say MSMEs in the composition scheme can claim ITC or access institutional credit easily.

46. (B) Threshold for GST Registration for goods - Rs. 40 Lakhs turnover
For general category states, the threshold for mandatory GST registration for businesses exclusively dealing in goods was increased to ₹40 lakhs in annual turnover. This measure was intended to exempt a large number of small

(B) I, III and IV
(C) II, III and IV
(D) I and II
(E) Answer not known

97. Consider the following concerns raised by Tamil Nadu regarding the implementation of GST:
I. As a net manufacturing state, TN feared revenue loss due to the destination-based nature of GST.
II. The state opposed the pooling of its fiscal autonomy into the GST Council.
III. The cessation of the GST compensation period in 2022 created fiscal anxiety for the state's budget.
IV. Tamil Nadu demanded that SGST should apply to inter-state exports.
V. The state was concerned about the delay in the equitable sharing of IGST funds.
Which of the above statement(s) is/are correct?
(A) I, II, III and V
(B) I, II, III and IV
(C) II, III, IV and V
(D) I, III, IV and V
(E) Answer not known

98. Consider the following statements detailing the significance of GST for the Indian economy:
I. It has mitigated the cascading effect of pre-existing indirect taxes.
II. It has fostered the creation of a unified national market.
III. It has reduced the overall tax buoyancy of the Central Government.
IV. It encourages the formalisation of the economy through the ITC mechanism.
V. It has simplified border movements by removing state-level entry taxes (octroi).
Which of the above statement(s) is/are correct?
(A) I, II, IV and V
(B) I, II, III and V
(C) II, III, IV and V
(D) I, III, IV and V
(E) Answer not known

99. Consider the following statements regarding Union Territory GST (UTGST):
I. It is levied on intra-state supplies within Union Territories that do not have their own legislature.
II. Delhi and Puducherry levy UTGST instead of SGST.
III. It functions parallel to the CGST in applicable Union Territories.
Which of the above statement(s) is/are correct?
(A) I and III
(B) II and III
(C) I and II
(D) I only
(E) Answer not known

100. Identify the incorrectly matched pair regarding GST terminology and its definition:
(A) SGST - State Goods and Services Tax collected by individual regional governments
(B) GSTN - Goods and Services Tax Network managing the national technological framework
(C) RCM - Reverse Charge Mechanism where the buyer pays tax directly to the state
(D) IGST - Integrated Goods and Services Tax
(E) Answer not known

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crore monthly in recent times, what can be logically inferred?
(A) High evasion rates exist, and the indirect tax burden has reduced state revenues.
(B) Exports have declined as zero-rated supplies do not contribute to revenue streams.
(C) The state of Tamil Nadu has suffered irreversible revenue collapse since 2017.
(D) The tax base has expanded, indicating buoyancy and economic formalisation.
(E) Answer not known

92. What is a primary disadvantage of the GST regime for Micro, Small and Medium Enterprises (MSMEs), despite recent simplification measures?
(A) Technology-driven compliance and working capital blockage due to refund delays.
(B) MSMEs are completely barred from participating in inter-state trade by law.
(C) The composition scheme enforces a flat 18% rate on all small-scale vendors.
(D) MSMEs must physically transport all invoices to Delhi for manual verification.
(E) Answer not known

93. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The 14% guaranteed revenue growth parameter for calculating GST compensation became controversial during the COVID-19 pandemic.
Reason (R): Actual state revenues plummeted due to lockdowns, resulting in a massive compensation shortfall that the Cess fund could not cover.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

94. Match the Committees/Task Forces in List I with their specific recommendations related to GST in List II:
List I: Committee/Task Force
P. Kelkar Task Force
Q. Arvind Subramanian Committee
R. Empowered Committee of State FMs
S. GST Council
List II: Recommendation/Role
I. Recommended the Revenue Neutral Rate (RNR)
II. Proposed the initial concept of a national GST
III. Resolves ongoing disputes and calibrates GST rates post-implementation
IV. Drafted the initial structural design and built state consensus
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-IV, R-I, S-III
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

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95. Consider the following statements regarding the significance of Article 246A introduced by the 101st Constitutional Amendment:
I. It overrides the conventional separation of tax powers in the Seventh Schedule.
II. It grants exclusive power to the Centre to levy taxes on the sale of goods.
III. It empowers Parliament and State Legislatures to make laws simultaneously with respect to GST.
IV. It exclusively limits the taxation of services to the State Governments.
Which of the above statement(s) is/are correct?
(A) I and III
(B) I, II and III
(C) II, III and IV
(D) I, III and IV
(E) Answer not known

96. Consider the following statements about the "Place of Supply" rules in GST:
I. They are essential to determine whether a supply is inter-state or intra-state.
II. For goods, it is generally the location where the movement of goods terminates for delivery.
III. They are irrelevant for determining IGST applicability.
IV. For B2B services, the place of supply is generally the location of the registered recipient.
Which of the above statement(s) is/are correct?
(A) I, II and IV

construction luxury residential properties are generally taxable, often falling under different specific rates within the real estate tax structure.

10. (A) 1 → 2 → 3 → 4
For inter-state movement of goods exceeding the threshold, the process begins with the generation of an E-way bill. Once the bill is generated, the physical movement of goods occurs. Following the transaction, the supplier files GSTR-1 to report the outward supply details. Finally, the tax liability is settled through the payment of Integrated Goods and Services Tax during return filing.

11. (D) It is levied by the Centre on inter-state supplies and shared with the destination state.
IGST is levied by the Central Government on all inter-state supplies of goods and services and on imports. It is a mechanism designed to ensure that the credit of taxes paid in the origin state can be seamlessly utilized in the destination state. The revenue from IGST is shared between the Union and the consuming states by the Centre.

12. (A) Taxpayers opting for the composition scheme are eligible to claim Input Tax Credit (ITC).
The Composition Scheme is designed to simplify tax compliance for small taxpayers with limited turnover. Under this scheme, businesses pay a fixed percentage of their turnover as tax and file simplified returns. However, a major restriction is that such taxpayers cannot claim Input Tax Credit on their purchases, nor can they collect tax from their customers through tax invoices.

13. (A) Both A and R are true and R is the correct explanation of A.
The Reverse Charge Mechanism shifts the responsibility of paying tax from the supplier to the recipient of goods or services. This is commonly applied when an unregistered supplier provides goods or services to a registered dealer. By making the recipient liable, the tax authorities ensure compliance and prevent tax leakage in sectors where suppliers are difficult to monitor.

14. (A) P-II, Q-I, R-IV, S-III
GSTR-1 is used for reporting details of outward supplies, while GSTR-3B is a monthly summary return for tax payment. The Annual Return provides a comprehensive yearly summary of all transactions. The Reconciliation Statement is a certified document that matches audited financial statements with the data reported in GST returns. Together, these forms ensure transparency and facilitate accurate tax assessment.

15. (A) I, II, III and IV
Blocked credits under Section 17(5) of the CGST Act refer to specific goods and services on which Input Tax Credit cannot be claimed. This includes motor vehicles for personal transport, goods lost or stolen, gifts or free samples, and services used for personal consumption. However, raw materials used for zero-rated exports are eligible for credit to maintain global export competitiveness.

16. (C) Value Added Tax (VAT) - State-level tax on intra-state sale of goods
Value Added Tax was a state-level tax levied on the intra-state sale of goods before the GST rollout. In contrast, Octroi was typically a local municipal tax on entry of goods, and Central Sales Tax was a central levy on inter-state sales. Central Excise Duty was a federal tax specifically targeting the manufacturing stage of production across the entire country.

17. (D) Aviation Turbine Fuel (ATF) and Petroleum Crude
While GST covers a wide range of goods, certain items like Aviation Turbine Fuel and Petroleum Crude are currently excluded from its immediate levy. These products remain under the older tax regime involving Central Excise and State VAT. The GST Council has the authority to bring these petroleum products into the GST net at a future date based on consensus.

18. (C) To compensate states for revenue loss during the initial years of GST implementation
The GST Compensation Cess is an additional levy imposed on luxury and demerit goods, such as tobacco and aerated drinks. Its primary purpose is to generate revenue for a dedicated fund. This fund is used to compensate states for any revenue shortfalls experienced during the first five years of the GST implementation, ensuring a smooth transition to the system.

19. (B) IGST
When a service provider in one state provides services to a recipient in another state, the

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ANSWERS

1. (D) The repeated taxation of a product at multiple stages without set-off credits for previous taxes paid
The cascading effect refers to the "tax on tax" phenomenon prevalent in the pre-GST regime. It occurs when a tax is levied at each stage of the supply chain without providing credit for taxes paid at previous stages. This increases the final price of the product as the tax becomes part of the cost base for subsequent levies.

2. (C) Kelkar Task Force
The Kelkar Task Force on Indirect Taxes, established in the early 2000s, played a pivotal role in recommending a comprehensive and integrated national Goods and Services Tax. Their report laid the conceptual foundation for replacing the fragmented indirect tax structure with a unified destination-based consumption tax to improve efficiency and broaden the tax base across India.

3. (C) A is true but R is false.
Tamil Nadu expressed significant concerns regarding revenue loss during the transition to the GST regime. While manufacturing states historically relied on origin-based taxation, GST operates as a destination-based consumption tax. Consequently, the tax revenue accrues to the state where goods are consumed, not where they are produced, contradicting the reason provided in the original statement.

4. (A) P-II, Q-IV, R-I, S-III
Article 246A provides concurrent powers to both Parliament and State Legislatures to legislate on GST. Article 269A governs the levy and collection of Integrated GST on inter-state supplies. Article 279A mandates the formation of the GST Council to oversee the framework. The 101st Constitutional Amendment Act was the landmark legislation that officially introduced GST across India in 2017.

5. (A) I and II
The GST Council follows a weighted voting system where the Central Government holds one-third of the total votes. The combined votes of all State Governments account for the remaining two-thirds of the total weightage. To pass any decision, a majority of at least three-fourths of the weighted votes of members present and voting is required to ensure cooperative federalism.

6. (C) IGST - Levied by the Central Government on inter-state supplies
Under India's dual GST model, the Integrated Goods and Services Tax is levied by the Central Government on all inter-state supplies of goods and services. The revenue collected through this mechanism is later apportioned between the Centre and the specific destination state. This ensures a seamless flow of credit and maintains the principle of destination-based consumption taxation across state borders.

7. (B) 2, 1, 3, 4
The evolution of GST began with the Kelkar Task Force recommending a national GST in 2004. This was followed by the formation of the Empowered Committee of State Finance Ministers to design the structure. Later, the 101st Constitutional Amendment Act was enacted in 2016. Finally, the GST Council was constituted under Article 279A to manage the new tax regime.

8. (D) 5%, 12%, 18%, 28%
The current Goods and Services Tax regime in India is structured around four primary tax slabs. These slabs are set at 5%, 12%, 18%, and 28%. While essential items often attract lower rates, luxury and demerit goods are placed in the highest slab. Some specific items, like precious metals, and certain essential services may fall outside these standard four slabs.

9. (A) I, II and III
Under the GST framework, essential healthcare services, core agricultural produce, and educational services provided by recognized institutions are categorized as exempted. These exemptions aim to protect low-income groups and support social sectors by keeping basic necessities affordable. Conversely, under-

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rules help classify the service as an export. This classification is vital for applying zero-rating, which allows the firm to claim tax refunds and avoid domestic tax.

29. (B) Implementation of the Composition Scheme and quarterly return filing
To reduce the compliance burden on MSMEs, the GST regime introduced the Composition Scheme and quarterly return filing options. These measures allow smaller businesses to avoid the complexities of detailed monthly reporting. By paying a flat tax on turnover and filing fewer returns, MSMEs can focus more on business operations rather than administrative tasks, making the tax system accessible.

30. (B) 1 → 4 → 2 → 3
The process for claiming Input Tax Credit involves a specific sequence within the digital network. First, the supplier files GSTR-1 to report the sale. The supplier then pays the tax liability to the government. Subsequently, the transaction details automatically reflect in the recipient's GSTR-2B. Finally, the recipient uses this verified data to claim the Input Tax Credit in their return.

31. (A) It aimed to ensure price stabilization by preventing firms from absorbing tax benefits.
The establishment of the National Anti-Profiteering Authority highlights the government's commitment to protecting consumers during the GST transition. By monitoring whether businesses pass on the benefits of reduced tax rates or increased input tax credits, the authority aims to prevent arbitrary price hikes. This focus on price stabilization was essential to ensure that the reform did not cause inflation.

32. (C) It increased the final cost of goods by taxing already paid taxes at each stage.
The cascading effect in the pre-GST era was a major economic drawback because it forced businesses to pay tax on the tax already included in the cost of inputs. This repeated taxation increased the final price of goods for consumers and distorted production costs. GST resolved this by allowing a seamless credit of taxes paid at each supply stage.

33. (C) A is true but R is false.
The guaranteed compensation period for states, intended to cover revenue losses during the GST transition, concluded in June 2022. While the 101st Constitutional Amendment provided for compensation for the first five years, it did not mandate an indefinite mechanism. Consequently, when shortfalls occurred due to the pandemic, the Centre utilized back-to-back loans to fulfill its temporary obligations.

34. (A) P-III, Q-II, R-IV, S-I
Before GST, indirect taxes were split between different authorities. Central Excise Duty was levied by the Central Government on manufacturing, while Service Tax was also a federal levy. Conversely, Value Added Tax was a state-level tax on the sale of goods. Entry taxes or octroi were typically collected by local municipalities or state governments upon the movement of goods.

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35. (A) I, II and IV
The Revenue Neutral Rate is the calculated tax rate that would maintain the same revenue levels for the government post-GST as in the previous system. The RNR committee's recommendations were vital for calibrating the various tax slabs to prevent a massive fiscal shock. While the 28% slab exists, it is not the uniform RNR, as rates vary across categories.

36. (D) Assumed growth rate for compensation - 14% per annum compounded
The GST compensation mechanism was built on specific fiscal parameters to reassure states. A key feature was the assumption of a 14% annual compounded growth rate for state revenues, using 2015-16 as the base year. If actual collections fell below this projected level, states were entitled to compensation. This guarantee was initially set for five years to facilitate transition.

37. (A) Tax revenue accrues to the state where the goods or services are ultimately consumed.
Destination-based taxation is a core principle where the right to collect tax revenue belongs to the jurisdiction where the final consumption of goods or services occurs. This marks a shift from the old origin-based system where manufacturing states benefited most. Under GST, even if a

56. (D) Advance Ruling - Provides binding clarity on tax liability prior to executing a transaction
The Authority for Advance Ruling provides a crucial mechanism for taxpayers to gain clarity on their tax liabilities before entering into a transaction. A ruling from this authority is binding on both the applicant and the tax department for that specific matter. This helps businesses plan their operations with certainty and reduces the likelihood of future legal disputes regarding tax laws.

57. (B) Streamlining processes so taxpayers file one return containing all supply and credit details
The "Single Return System" was proposed as a simplification measure to streamline the compliance process for taxpayers. Instead of filing multiple complex forms, the goal is for businesses to file one comprehensive return that includes all details of their supplies and eligible credits. This approach reduces the administrative burden and minimizes the chances of errors, making it easier for businesses to comply.

58. (C) Export of readymade garments to the United Kingdom or other foreign nations
Exports of goods or services to foreign countries are common examples of zero-rated supplies under GST. This status means that no tax is charged on the final export sale, and the exporter is eligible to claim a refund for the taxes paid on all inputs used. This ensures that Indian products remain price-competitive in international markets by being entirely tax-free.

59. (D) States would lose the massive independent revenue they currently generate through high VAT.
The reluctance of states to include petroleum products under GST stems from the significant revenue they generate through existing state taxes like VAT. Currently, states have full autonomy to set these rates, providing a stable and independent source of income. Bringing petroleum under GST would require states to share this revenue with the Centre and adhere to uniform rates decided collectively.

60. (A) 2, 4, 3, 1
The GST dispute resolution process follows a clear hierarchy. It starts with the Adjudicating Authority passing an initial order. If the taxpayer is aggrieved, they first appeal to the First Appellate Authority. The next level is the GST Appellate Tribunal, which handles complex legal issues. Decisions from the Tribunal can eventually be challenged in the High Court and Supreme Court.

61. (B) Compliance is improving and the economy is formalising alongside steady growth.
Consistent growth in monthly GST collections indicates high tax buoyancy and the ongoing formalisation of the Indian economy. It suggests that more businesses are entering the tax net and compliance is improving through digital monitoring. This trend reflects a healthy economic recovery and demonstrates the effectiveness of the GST framework in capturing value addition across various manufacturing and service sectors.

62. (B) It allows both Centre and States to levy tax concurrently on a common base.
The dual GST structure is a cornerstone of Indian fiscal federalism because it preserves the taxing powers of both the Union and the State governments. By allowing them to levy tax concurrently on a common base of goods and services, the system ensures that both levels of government have resources while working within a unified and seamless national framework.

63. (A) Both A and R are true and R is the correct explanation of A.
GST creates a seamless credit chain by allowing businesses at every stage of the supply chain to claim credit for the taxes they have paid on their purchases. This Input Tax Credit is then used to offset their liability on sales. By ensuring that tax is only levied on the value added, the system effectively eliminates the cascading effect.

64. (A) P-IV, Q-III, R-II, S-I
The components of GST are designed for specific jurisdictions. CGST is the central share of intra-state supply, while SGST is the state's share. IGST is collected by the Centre on inter-state supplies and then shared with the destination state. For Union Territories without their own legislature, UTGST is applied on intra-state supplies, ensuring all regions are covered correctly.

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traders from the tax net, thereby reducing their administrative and compliance costs. Different thresholds apply to service providers and businesses in special category states.

47. (A) Basic Customs Duty
GST subsumed many indirect taxes like Central Sales Tax, Luxury Tax, and Entertainment Tax to create a unified system. However, Basic Customs Duty remains outside the GST framework and is still levied on imports under the Customs Act. While imports also attract Integrated GST, that tax is separate from the basic duty, which continues to serve as a tool for policy.

48. (C) Destination-based taxation shifts revenue from production hubs to consumption centers.
Manufacturing states like Tamil Nadu initially resisted GST because the system shifted the tax base from the point of production to the point of consumption. In the pre-GST era, these states collected significant revenue through origin-based taxes on goods sent out of their borders. The transition to a destination-based model meant they would potentially lose revenue to consumption centers.

49. (D) ₹50
In this scenario, the manufacturer pays ₹100 as input tax. When the finished good is sold for ₹1500 at a 10% tax rate, the total output tax liability is ₹150. By utilizing the Input Tax Credit of ₹100 already paid on raw materials, the manufacturer only needs to pay the remaining ₹50 in cash to the government, reflecting the tax.

50. (A) 1, 2, 3
In an inter-state transaction, the process starts with the supplier collecting Integrated Goods and Services Tax from the buyer. This entire amount is then deposited with the Central Government. Under the destination-based principle, the Centre subsequently shares a portion of this collected revenue with the state where the consumption occurred, ensuring that the destination state receives its rightful share.

51. (B) Classified as exempted supplies to protect primary producers and ensure food security
Basic agricultural activities and raw produce are treated as exempted supplies under the GST regime. This classification is intended to keep the prices of essential food items stable and protect the interests of primary producers. By exempting these goods, the government ensures that the tax reform does not adversely impact food security or the livelihoods of the rural population segment.

52. (D) Intra-state supply attracts CGST and SGST, while inter-state supply attracts IGST.
India's dual GST model differentiates between local and cross-border transactions. Intra-state supplies, where the supplier and recipient are in the same state, attract both Central GST and State GST simultaneously. In contrast, inter-state supplies, involving two different states, attract Integrated GST. This structure allows both levels of government to exercise their taxing powers while maintaining a unified and seamless system.

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53. (B) Both A and R are true but R is not the correct explanation of A.
The Goods and Services Tax Network is the technological backbone of the GST system, providing the infrastructure for registration, return filing, and payment. While it facilitates these processes efficiently, its primary role is operational rather than conceptual. The prevention of cascading taxes is a structural feature of the GST law itself, achieved through the Input Tax Credit mechanism.

54. (A) P-III, Q-II, R-IV, S-I
The legal structure of GST is anchored in several constitutional provisions. Article 246A gives the power to make GST laws, while Article 269A handles inter-state trade levies. Article 279A provides for the GST Council. Additionally, the GST (Compensation to States) Act was enacted to address revenue losses. These elements together form the comprehensive legal framework that governs the system.

55. (B) I and II
GST brought services into a common tax fold with goods, replacing the old Service Tax which was exclusively a central levy. Under the current regime, both the Centre and States levy GST on services through CGST and SGST/UTGST. Uniform Place of Supply rules have been established to clarify tax jurisdiction, especially for digital and cross-border services, making the process transparent.

transaction is classified as an inter-state supply. According to the Place of Supply rules, Integrated Goods and Services Tax is applicable to such transactions. In this scenario, the Chennai-based IT firm must levy IGST on the consulting services provided to the client located in Bengaluru.

20. (A) 3, 4, 1, 2
The GST rate structure follows a progressive approach where luxury and sin goods are taxed at the highest rate. This starts with the 28% slab, often accompanied by a compensation cess. Moving down, standard services and consumer goods fall under the 18% and 12% slabs. Finally, essential mass-consumption items are placed in the lowest taxable slab of 5%.

21. (A) For zero-rated supplies, the ITC can be claimed, whereas for exempted supplies, it cannot.
Zero-rated supplies, primarily exports and supplies to Special Economic Zones, allow businesses to claim Input Tax Credit on inputs used. In contrast, exempted supplies do not attract any tax on the final product, but the associated Input Tax Credit cannot be claimed. This distinction ensures that exports remain tax-free in international markets, while exemptions merely remove tax from the final sale.

22. (C) The removal of tax multiplicity and the resolution of the cascading tax effect
The "One Nation, One Tax" philosophy is best exemplified by the removal of a fragmented tax structure and multiple tax layers. By consolidating various central and state taxes into a single unified GST, the system eliminates the cascading effect of tax-on-tax. This reform facilitates a common national market, streamlining compliance for businesses and ensuring uniformity in tax rates.

23. (A) Both A and R are true and R is the correct explanation of A.
An e-way bill is a mandatory digital document required for the movement of goods exceeding a specific value threshold. It serves as an electronic tracking mechanism that authorities use to verify transactions in real-time. This system is crucial for enforcing tax compliance, preventing the illegal movement of goods, and matching transport data with filed tax returns.

24. (A) P-IV, Q-III, R-II, S-I
Different components of GST serve specific economic goals. The 28% slab with cess targets demerit goods. Zero-rated supplies are designed to make Indian exports competitive globally. A seamless Input Tax Credit chain is the primary tool used to prevent the cascading effect of taxes. Finally, the National Anti-Profiteering Authority ensures that any reduction in tax rates is passed to consumers.

25. (B) II and III
The Composition Scheme is an optional tax system aimed at reducing the compliance burden for small businesses. Dealers opting for this scheme pay a flat tax rate based on their turnover and file simplified quarterly returns instead of detailed monthly ones. However, they are legally prohibited from issuing tax invoices to collect GST from customers and cannot claim Input Tax Credit.

26. (C) GST Appellate Authority - Conducts physical verification of border checkpoints for entry tax
The GST Appellate Tribunal is designed as a specialized forum to resolve disputes between taxpayers and the revenue department regarding tax assessments and orders. It does not conduct physical border checks, which were common in the pre-GST era for octroi. Other bodies like the GST Council and GSTN handle policy recommendations and the technological infrastructure necessary for the entire system.

27. (D) It requires real-time B2B invoice reporting to the registration portal.
E-invoicing is a system where business-to-business invoices are reported in real-time to a centralized government portal. This process generates a unique Invoice Reference Number for each transaction. It is mandatory for large taxpayers to enhance transparency, automate the preparation of tax returns, and curb the generation of fake invoices. This ensures that the credit claimed is legitimate.

28. (A) A Chennai software firm providing customized IT solutions to a client in New York.
The "Place of Supply" rules are fundamental in determining whether a transaction is intra-state or inter-state. In the case of a Chennai firm providing IT solutions to a New York client, these

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65. (A) I, II and III
The GST Council is a representative body chaired by the Union Finance Minister. Its members include the Union Minister of State for Finance and the Finance or Taxation Ministers from every State and Union Territory with a legislature. This composition ensures that all regional interests are considered. However, the Governor of the RBI is not a voting member of this council.

66. (C) Blocked Credits - Available for personal consumption of goods by the taxpayer
Blocked credits refer to specific expenditures where Input Tax Credit is not permitted by law, such as goods or services used for personal consumption or specific employee perks. In these cases, even if a tax invoice is present, the business cannot use that tax to offset its output liability. Understanding these restrictions is vital for accurate tax planning and compliance.

67. (B) The mechanism of claiming credit for tax paid on inputs against tax payable on output
Input Tax Credit is the core mechanism of the GST system that prevents double taxation. It allows a registered taxpayer to reduce the tax they owe on their sales by the amount of tax they have already paid on their business purchases. This ensures that the tax is ultimately levied only on the value addition made at each stage.

68. (D) Article 279A
Article 279A was inserted into the Constitution of India via the 101st Amendment Act specifically to mandate the creation of the GST Council. This article outlines the council's structure, voting procedures, and its role as the supreme decision-making body for GST matters. It represents a significant shift toward institutionalized cooperative federalism, where the Centre and States collectively decide policies.

69. (A) A non-profit company with government and private holdings, now fully government-owned.
The Goods and Services Tax Network was initially established as a non-profit, private limited company with shared ownership between the government and private financial institutions. Recognizing its role as critical national infrastructure, the government later moved to make it a 100% government-owned entity. It continues to provide the sophisticated IT platform required for registration, filing, and processing of GST data.

70. (A) 1, 2, 3
In an inter-state sale from Tamil Nadu to Maharashtra, the first step is the levy of Integrated GST. The seller in Tamil Nadu collects this tax from the buyer and pays it to the Central Government. Following the destination principle, the Centre then transfers the state's share of the IGST revenue to Maharashtra, where the final consumption occurred.

71. (A) GST applies to under-construction properties, with concessional rates for affordable housing.
Under the GST regime, the tax applies specifically to under-construction properties, while ready-to-move-in homes with a completion certificate are generally exempt from GST. Affordable housing projects benefit from a significantly lower concessional rate. However, land sales themselves fall outside the scope of GST as they are not considered a supply of goods or services under current legal definitions.

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72. (D) The 101st Constitutional Amendment guaranteed compensation to states for exactly 10 years.
The 101st Constitutional Amendment Act guaranteed that states would receive compensation for revenue shortfalls for a period of exactly five years, not ten years. This provision was intended to provide a financial cushion as states transitioned from an origin-based to a destination-based tax system. Other features, like the 14% growth rate and the compensation cess, were part of this framework.

73. (C) A is true but R is false.
The GST Compensation Cess is levied on specific demerit goods to fund the revenue gap of states during the transition. However, the reasoning that destination-based taxation inherently helps manufacturing states is incorrect. In fact, manufacturing states were expected to lose revenue because the tax follows consumption. Therefore, the compensation mechanism was designed to protect production hubs from fiscal impact.

(A) A direct transition from a service-driven economy to a rural agrarian-based system
(B) The total nationalization of heavy industries to prevent the accumulation of private wealth
(C) Transfer of surplus labour from agriculture to high-productivity industrial sectors
(D) A scenario where the primary sector remains the dominant contributor to national income
(E) Answer not known

7. Identify the incorrectly matched pair regarding GDP measurement approaches:
(A) Expenditure approach - Sum of Consumption, Investment, Government spending, and Net Exports
(B) Income approach - Sum of wages, rent, interest, and profits
(C) Value added method - Sector-wise compilation of gross value added minus intermediate consumption
(D) Production approach - Total volume of money supply in circulation
(E) Answer not known

8. A developing state witnesses a rapid decline in the share of its manufacturing sector while its service sector booms, even before reaching a high per capita income. In development economics, this phenomenon is best described as:
(A) Premature deindustrialisation
(B) Hindu Rate of Growth
(C) Demographic dividend
(D) Green GDP transition
(E) Answer not known

9. Consider the following statements regarding India's structural transformation:
I. India's economic transition strictly followed the classical Lewis model by absorbing all surplus agricultural labour into the manufacturing sector first.
II. The service sector became the dominant contributor to India's GDP directly following the relative decline of the agricultural sector.
III. Tamil Nadu's economic structure is an exception in India as its primary sector still contributes more to its GSDP than its service sector.
IV. The leapfrogging from agriculture directly to services is often termed as a unique structural transformation characteristic of India.
Which of the above statement(s) is/are incorrect?
(A) I and III
(B) I, II and III
(C) II and IV
(D) I, III and IV
(E) Answer not known

10. According to the traditional model of economic development, arrange the following sectors in the chronological sequence of their dominance during a nation's structural transformation:
1. Secondary Sector
2. Quaternary Sector
3. Primary Sector
4. Tertiary Sector
(A) 3, 4, 1, 2
(B) 1, 3, 4, 2
(C) 3, 1, 4, 2
(D) 3, 1, 2, 4
(E) Answer not known

11. Which of the following highlights the fundamental difference between Nominal GDP and Real GDP?
(A) Nominal GDP uses current prices, while Real GDP is inflation-adjusted using constant prices
(B) Nominal GDP accounts for foreign remittances, whereas Real GDP excludes these capital inflows
(C) Real GDP is measured at market rates, whereas Nominal GDP uses base year economic benchmarks
(D) Real GDP measures agricultural output, whereas Nominal GDP tracks industrial manufacturing production
(E) Answer not known

12. Based on the following Assertion (A) and Reason (R), choose the correct option:
Assertion (A): The GDP deflator is considered a more comprehensive measure of systemic inflation than the Consumer Price Index (CPI).
Reason (R): The GDP deflator covers the prices of all domestically produced goods and services, whereas the CPI only covers a specific basket of consumer goods.

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have a voice, and the three-fourths majority requirement ensures that policies are based on broad consensus. This collaborative approach prevents unilateral changes and encourages a unified economic vision.

84. (A) P-II, Q-I, R-III, S-IV
Different GST forms serve distinct administrative purposes. GSTR-1 is used for reporting outward supplies. GSTR-4 is the annual return for composition scheme taxpayers, while CMP-08 is their quarterly statement for paying self-assessed tax. GSTR-9 serves as the comprehensive annual return for regular taxpayers. These forms ensure that all categories of businesses have a structured way to report transactions.

85. (A) I and III
The GST Compensation Act of 2017 was enacted to provide a legal guarantee to states that they would be compensated for any revenue losses for the first five years post-GST. It used the 2015-16 financial year as the base for calculations. This assurance was vital to gain the support of states for the amendment, particularly production-heavy states.

86. (C) Anti-profiteering - Ensuring consumers benefit from ITC and tax rate reductions
Anti-profiteering is a key consumer protection feature of the GST system. It ensures that when tax rates are reduced or Input Tax Credits become available, businesses pass these financial benefits on to the end consumers through lower prices. Other concepts like blocked credits or cascading effects describe restrictions on tax credits or the old system's flaws, respectively.

87. (A) The pooling of sovereignty by Centre and States to decide policies via the Council
Cooperative federalism in the GST framework is best represented by the pooling of fiscal sovereignty. Both the Central and State governments have voluntarily given up their exclusive powers to levy certain taxes in favor of a collective decision-making process through the GST Council. This shared authority allows for uniform tax policies across the country while respecting the constitutional roles.

88. (D) Edible oil and common spices used for mass consumption
The 5% GST slab is intended for essential items that are widely consumed but are not considered basic necessities like unprocessed food. Common examples of goods in this category include edible oils and various spices used in daily cooking. This relatively low rate helps keep the cost of living stable for the general population while still bringing these items formally.

89. (B) The uniformity of tax rates across all Indian states and territories
The pre-GST era was characterized by extreme complexity due to the multiplicity of taxes and the lack of a seamless credit system between central and state levies. This led to a significant cascading effect. The idea that there was any uniformity of tax rates across states is incorrect; in fact, the lack of uniformity was a primary problem.

90. (A) 1, 2, 3, 4
The legal journey of GST followed a systematic path. It began with the passage of the 101st Constitutional Amendment in 2016. This enabled the formation of the GST Council, which then provided the necessary recommendations on rates and laws. Finally, these recommendations were codified through the passage of the CGST, SGST, and IGST Acts by the respective legislative bodies.

91. (D) The tax base has expanded, indicating buoyancy and economic formalisation.
Reaching consistent monthly revenue milestones indicates a robust expansion of the tax base and a trend toward economic formalisation. It suggests that the digital tracking and credit mechanisms of GST are successfully bringing more transactions into the formal economy. This high buoyancy supports government spending and demonstrates that the initial hurdles of the GST transition are being successfully overcome.

92. (A) Technology-driven compliance and working capital blockage due to refund delays.
Despite various simplifications, MSMEs still face challenges under GST, particularly regarding technology-driven compliance. Small firms often lack the infrastructure for frequent digital filings. Additionally, working capital can be

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74. (A) P-II, Q-I, R-IV, S-III
Anti-profiteering measures ensure that tax cuts reach the final consumer. E-invoicing involves real-time reporting to the government to prevent fraud. For a buyer to be eligible for Input Tax Credit, the actual receipt of the goods or services is a mandatory legal condition. Finally, GSTR-1 is the primary form used by businesses to report all details of outward supplies.

75. (A) I, II, IV and V
The 28% GST slab is reserved for luxury and demerit goods, which also attract an additional compensation cess. This category includes aerated waters, tobacco products, high-end motor cars, and caffeinated beverages. Life-saving drugs, however, are placed in much lower tax brackets or are exempted entirely to ensure they remain affordable and are not subjected to luxury-level taxation.

76. (A) Alcoholic liquor for human consumption - Constitutionally excluded from GST
Article 366(12A) of the Constitution defines GST but specifically excludes alcoholic liquor for human consumption from its purview. This means states retain the exclusive right to levy excise duty and sales tax on alcohol. Other items like tobacco are technically within the scope of GST, although petroleum products are currently kept in abeyance by the Council's specific decision.

77. (B) When goods are used for constructing an immovable property on one's own account
Input Tax Credit is generally allowed for business inputs, but there are specific legal exceptions. For instance, credit cannot be claimed for goods used in the construction of immovable property on one's own account, except for plant and machinery. This restriction prevents the conversion of business credits into personal or capital assets not directly related to taxable supply.

78. (B) To curb fake invoices by ensuring real-time reporting of B2B transactions.
The primary objective of making E-invoicing mandatory for large taxpayers is to enhance the transparency of the tax system. By requiring real-time reporting of business-to-business transactions, the government can effectively track the flow of goods and services. This system significantly reduces the possibility of using fake invoices to claim fraudulent credits, thereby protecting the overall revenue collected.

79. (A) The registered business receiving the service
Under the Reverse Charge Mechanism, the liability to pay GST is shifted from the service provider to the recipient. If a registered business hires a Goods Transport Agency that does not pay tax under the regular forwarding charge, the business itself must calculate and pay the applicable GST. This ensures that the tax is collected even when the supplier is unorganized.

80. (A) 1, 2, 3, 4
The GST adjudication process begins with the issuance of a Show Cause Notice by the tax authority. After considering the taxpayer's response, the original adjudication order is passed. If the taxpayer disagrees, they can appeal to the First Appellate Authority. If the dispute remains unresolved, the final step in the administrative hierarchy is filing an appeal before the Tribunal.

81. (B) II only
Under the GST regime, basic healthcare and educational services are largely categorized as exempted services. This means that while no tax is charged on the final service provided to students or patients, the institutions cannot claim Input Tax Credit on their inputs. This policy is designed to keep social services affordable by removing the burden of indirect taxes from consumers.

82. (C) VAT was state-exclusive, while SGST power is concurrent via Article 246A.
A major constitutional shift occurred with the introduction of GST. While the old Value Added Tax was a state-exclusive power, the authority to levy SGST is now a concurrent power shared with the Centre under Article 246A. This amendment allows both levels of government to legislate on the same tax base simultaneously, facilitating a unified national tax structure for India.

83. (A) Both A and R are true and R is the correct explanation of A.
GST is a landmark example of cooperative federalism in India because it requires the Centre and States to make joint decisions. The GST Council provides a platform where all states

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CHAPTER 08

Structure of Indian Economy, Sectors, National Income and GDP

1. In the context of the Indian economy and states like Tamil Nadu, what does the term 'structural transformation' primarily refer to?
(A) The shift in sectoral composition, usually from primary to secondary and tertiary sectors
(B) The physical relocation of industrial manufacturing units from rural hinterlands to urban centers
(C) The systematic privatization of public sector undertakings through strategic government divestment
(D) The institutional process of replacing physical domestic currency with a regulated digital currency
(E) Answer not known

2. Consider the following statements regarding the Primary Sector in India:
I. It includes activities such as agriculture, forestry, fishing, and mining.
II. In Tamil Nadu, the primary sector is the largest contributor to its Gross State Domestic Product (GSDP).
III. Activities in this sector involve the direct extraction and harvesting of natural resources.
Which of the above statement(s) is/are correct?
(A) I and III
(B) II and III
(C) I only
(D) III only
(E) Answer not known

3. The National Statistical Office (NSO), responsible for compiling India's National Accounts, was formed by the merger of the Central Statistics Office (CSO) and which other organization?
(A) National Sample Survey Office (NSSO)
(B) NITI Aayog
(C) Reserve Bank of India (RBI)
(D) Department of Economic Affairs (DEA)
(E) Answer not known

4. Match the following economic sectors with their respective activities:
List I: (Sector)
P. Primary
Q. Secondary
R. Tertiary
S. Quaternary
List II: (Activities)
I. Information Technology and research
II. Manufacturing and construction
III. Trade, transport, and finance
IV. Forestry and fishing
(A) P-IV, Q-II, R-I, S-III
(B) P-IV, Q-II, R-III, S-I
(C) P-II, Q-IV, R-III, S-I
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

5. Based on the following Assertion (A) and Reason (R), choose the correct option:
Assertion (A): GDP is often criticized as an inadequate measure of a country's overall economic welfare.
Reason (R): GDP calculation does not account for income inequality, environmental degradation, and unpaid non-market activities.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

6. Which of the following statements correctly explains the core concept of the Lewis model of structural transformation?

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Primary Sector
(E) Answer not known

19. The term "Hindu Rate of Growth", referring to the consistently low annual growth rate of the Indian economy before the 1991 reforms, was coined by which Indian economist?
(A) Raj Krishna
(B) Amartya Sen
(C) Manmohan Singh
(D) Jagdish Bhagwati
(E) Answer not known

20. Which of the following correctly represents the sequence of components in the expenditure approach equation of GDP ($Y = C + I + G + NX$)?
(A) Consumption, Interest, Government expenditure, Net Exports
(B) Capital, Investment, Gross domestic product, Net Exports
(C) Consumption, Income, Gross value added, Net Exports
(D) Consumption, Investment, Government expenditure, Net Exports
(E) Answer not known

21. Regarding India's GDP during the COVID-19 pandemic, which of the following statements is incorrect?
(A) The Indian economy witnessed a severe and broad-based contraction during the 2020-21 financial year.
(B) The agricultural sector experienced the highest negative growth among all sectors during the 2020 lockdown.
(C) The economic recovery following the sharp contraction was analyzed as a significant V-shaped rebound.
(D) Contact-intensive service sectors experienced a much more prolonged recovery than industrial manufacturing.
(E) Answer not known

22. Match the following macroeconomic concepts with their corresponding meanings:
List I: (Concepts)
P. Gross Domestic Savings
Q. Gross Capital Formation
R. Incremental Capital Output Ratio (ICOR)
S. Potential GDP
List II: (Meanings)
I. Maximum sustainable output an economy can produce without increasing inflation
II. Additional capital required to produce one extra unit of output
III. Total investment in physical assets in an economy
IV. Total income that is not consumed by households, corporates, and the government
(A) P-IV, Q-III, R-II, S-I
(B) P-III, Q-IV, R-I, S-II
(C) P-IV, Q-II, R-III, S-I
(D) P-II, Q-III, R-IV, S-I
(E) Answer not known

23. Consider the following statements regarding Gross Value Added (GVA):
I. Gross Value Added (GVA) at basic prices includes product taxes and excludes product subsidies.
II. GVA provides a sector-wise picture of economic activity from the producers' side.
III. GDP at market prices is derived by adding product taxes and subtracting product subsidies from GVA at basic prices.
Which of the above statement(s) is/are incorrect?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

24. Based on the following Assertion (A) and Reason (R), choose the correct option:
Assertion (A): For India, the Gross National Product (GNP) is traditionally lower than the Gross Domestic Product (GDP).
Reason (R): India's net factor income from abroad has historically been negative due to high outflows of investment income exceeding inflows.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

25. The concept of Gross National Happiness (GNH), pioneered by Bhutan, categorizes

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(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

13. Which of the following serves as the best example of Gross Fixed Capital Formation (GFCF) by the government in Tamil Nadu?
(A) Payment of monthly pensions to retired government employees
(B) Subsidies provided to farmers for free electricity
(C) Expenditure incurred on day-to-day administrative stationery
(D) Construction of a new bridge across the Cauchy river
(E) Answer not known

14. Consider the following statements regarding the base year revision in India:
I. The current base year for calculating India's National Accounts is 2011-12.
II. Base year revision is periodically undertaken to capture the changing structural dynamics of the economy.
III. The introduction of the new base year eliminated the tertiary sector from GDP calculations.
IV. The back series data controversy centered around the methodology used to link the old and new GDP series pre-2011.
V. The base year for National Income Accounts is officially revised by the Ministry of Finance alone.
Which of the above statement(s) is/are correct?
(A) I, II, III and V
(B) I, II and IV
(C) I, II, IV and V
(D) I, III and IV
(E) Answer not known

15. Among the following, which is the least relevant reason for considering GDP an imperfect metric for overall societal well-being?
(A) It fails to account for the depletion of natural resources and environmental degradation.
(B) It measures the total market value of final goods and services produced within domestic boundaries.
(C) It does not measure the equitable distribution of wealth among the population.
(D) It excludes the value of unpaid domestic and care work.
(E) Answer not known

16. Match the following National Income aggregates with their definitions:
List I: (National Income Aggregates)
P. Gross Domestic Product (GDP)
Q. Gross National Product (GNP)
R. Net National Product (NNP)
S. NNP at factor cost
List II: (Definitions)
I. Traditionally considered as National Income
II. GNP minus depreciation
III. Total domestic output within a country's borders
IV. GDP plus net factor income from abroad
(A) P-III, Q-IV, R-II, S-I
(B) P-IV, Q-III, R-I, S-II
(C) P-III, Q-I, R-IV, S-II
(D) P-II, Q-IV, R-III, S-I
(E) Answer not known

17. What is the primary advantage of utilizing 'Green GDP' over traditional GDP calculations for a state like Tamil Nadu with a vast coastline and intensive agriculture?
(A) It adjusts GDP for environmental degradation and natural capital depletion for sustainability
(B) It strictly monitors agricultural products that are processed using organic green pigments
(C) It artificially increases the GDP growth rate to attract massive foreign direct investment
(D) It removes all indirect taxes and government subsidies from the final economic calculation
(E) Answer not known

18. Identify the correctly matched pair regarding sectoral components in India:
(A) Trade, Hotels, and Restaurants - Quaternary Sector
(B) Mining and Quarrying - Secondary Sector
(C) Electricity, Gas, and Water supply - Secondary Sector
(D) Real Estate and Professional Services -

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blocked due to delays in receiving tax refunds, which is a significant issue for businesses with limited cash flow. These factors can place a heavy administrative burden on smaller enterprises.

93. (A) Both A and R are true and R is the correct explanation of A.
During the COVID-19 pandemic, the guaranteed 14% revenue growth rate for states became a major point of contention. The sharp economic slowdown and lockdowns caused a drastic fall in actual collections, far below the projected levels. This created a massive compensation gap that the existing cess fund could not bridge, leading to prolonged negotiations regarding funding the shortfall.

94. (A) P-II, Q-I, R-IV, S-III
Various groups shaped the GST. The Kelkar Task Force introduced the concept of a national GST. The Arvind Subramanian Committee was instrumental in calculating the Revenue Neutral Rate. The Empowered Committee of State Finance Ministers built the initial political consensus. Today, the GST Council serves as the permanent body that resolves ongoing disputes and makes periodic adjustments to rates.

95. (A) I and III
Article 246A is a revolutionary constitutional provision because it grants simultaneous powers to both the Union Parliament and State Legislatures to make laws regarding GST. This overrides the traditional separation of powers found in the Seventh Schedule. It provides the legal foundation for the entire dual GST model, allowing for a truly unified national tax system across borders.

96. (A) I, II and IV
"Place of Supply" rules are critical for identifying the tax jurisdiction of a transaction. For goods, the supply is usually deemed to occur where the movement ends. For business-to-business services, the location of the registered recipient is the standard rule. These determinations are essential for deciding whether to apply CGST/SGST or IGST, ensuring that the tax revenue correctly reaches destination.

97. (A) I, II, III and V
Tamil Nadu raised several valid concerns as a major manufacturing state. The shift to destination-based taxation and the pooling of fiscal autonomy into the GST Council were seen as potential threats to its revenue. The end of the compensation period and delays in sharing IGST funds further contributed to the state's anxiety regarding its long-term fiscal stability under the new system.

98. (A) I, II, IV and V
GST has fundamentally transformed the Indian economy by creating a unified national market and removing internal trade barriers like octroi. It has successfully reduced the cascading effect of taxes and encouraged formalisation through the Input Tax Credit system. These changes have streamlined supply chains and improved overall tax buoyancy, although it is incorrect to suggest that central government revenue declined.

99. (A) I and III
Union Territory GST is specifically levied in Union Territories that do not have their own legislative assemblies, such as Chandigarh or Ladakh. In these regions, UTGST replaces the SGST that would otherwise be collected by a state. However, Union Territories with their own legislatures, like Delhi and Puducherry, function like states and levy SGST alongside the applicable CGST.

100. (D) IGST - Integrated Goods and Services Tax
The Integrated Goods and Services Tax is a core component of the dual GST model in India. It is levied on all inter-state supplies of goods and services as well as on imports. The tax is collected by the Central Government and then apportioned between the Union and the specific state where the goods or services were consumed.

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human development into four pillars. Which of the following is NOT one of those four pillars?
(A) Sustainable and equitable socio-economic development
(B) Rapid heavy industrialization and aggressive urbanization
(C) Environmental conservation
(D) Preservation and promotion of culture
(E) Answer not known

26. During the post-reform period in India, what was the approximate average GDP growth rate achieved that signaled a clear acceleration from the traditional 'Hindu rate of growth'?
(A) 2 to 3 percent
(B) 3.5 to 4 percent
(C) 6 to 8 percent
(D) 10 to 12 percent
(E) Answer not known

27. Arrange the following Five-Year Plans in the correct chronological sequence of their implementation, which also witnessed varying incremental capital output ratios (ICOR):
1. Eleventh Five-Year Plan
2. First Five-Year Plan
3. Eighth Five-Year Plan
4. Fourth Five-Year Plan

(A) 2, 1, 4, 3
(B) 2, 4, 3, 1
(C) 4, 2, 3, 1
(D) 2, 3, 4, 1
(E) Answer not known

28. Consider the following statements regarding the savings rate in India:
I. Gross domestic savings in India comprises household, corporate, and public sector savings.
II. The household sector is typically the largest contributor to gross domestic savings in India.
III. Physical savings by households include direct investments in real estate and gold.
IV. The public sector's contribution to domestic savings has consistently been much higher than the household sector since independence.

Which of the above statement(s) is/are correct?
(A) I, II and IV
(B) II, III and IV
(C) I, II and III
(D) I and IV
(E) Answer not known

29. Which of the following stands as the defining feature of the quaternary sector of the economy?
(A) Large-scale mechanized manufacturing and assembly of complex consumer durable products
(B) The direct extraction and industrial processing of various raw minerals from the earth
(C) Basic wholesale and retail trading of essential agricultural commodities in local markets
(D) Knowledge-based activities involving IT, research, education, and information services
(E) Answer not known

30. Identify the correctly matched pair regarding economic savings and investment:
(A) Household portfolio - Public infrastructure investment
(B) Physical savings - Mutual funds and government bonds
(C) Financial savings - Bank deposits, shares, and provident funds
(D) Corporate savings - Remittances sent by overseas workers
(E) Answer not known

31. Which of the following is NOT a function traditionally associated with the Central Statistics Office (CSO) before its merger into the NSO?
(A) Compilation of National Accounts and GDP
(B) Formulation of monetary policy and setting repo rates
(C) Release of the Index of Industrial Production (IIP)
(D) Conduct of the Annual Survey of Industries (ASI)
(E) Answer not known

32. Match the following factors of production with their respective factor incomes:
List I: (Factors of Production)
P. Land
Q. Labour
R. Capital

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S. Entrepreneurship

List II: (Factor Incomes)

I. Wages
II. Profit
III. Rent
IV. Interest

(A) P-III, Q-I, R-IV, S-II
(B) P-IV, Q-II, R-I, S-III
(C) P-I, Q-IV, R-II, S-III
(D) P-III, Q-II, R-IV, S-I
(E) Answer not known

33. Based on the following Assertion (A) and Reason (R), choose the correct option:

Assertion (A): Tamil Nadu exhibits a relatively balanced economic structure with a strong secondary sector contribution to its GSDP.

Reason (R): The traditional Lewis model of structural transformation assumes that surplus agricultural labour is directly absorbed by the tertiary sector.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

34. If the Incremental Capital Output Ratio (ICOR) of the Indian economy increases from 4 to 5, what can be logically inferred about the efficiency of investment?

(A) Capital productivity has improved significantly across various industrial and service sectors.
(B) Less capital is now required to produce a single unit of output in the economy.
(C) Investment efficiency has declined as more capital is needed for each unit of output.
(D) The economy is witnessing a period of rapid and transformative technological advancement.
(E) Answer not known

35. Consider the following statements regarding Per Capita Income:

I. Per capita income is calculated by dividing the national income by the total population.
II. It is considered a flawless and absolute measure of the standard of living of all individuals.
III. Tamil Nadu's per capita income is historically lower than the national average of India.
IV. An increase in real per capita income implies a higher average availability of goods and services.
V. It perfectly accounts for income disparities and inequality within the population.

Which of the above statement(s) is/are incorrect?

(A) I, II and IV
(B) II, III and V
(C) I, III, IV and V
(D) I, II, III and V
(E) Answer not known

36. Which of the following scenarios best describes a "negative output gap" in an economy?

(A) Actual GDP exceeds potential GDP, resulting in severe and immediate inflationary pressures.
(B) Agricultural output grows faster than manufacturing output for several consecutive fiscal quarters.
(C) National imports consistently exceed exports, leading to a significant current account deficit.
(D) Actual GDP is less than potential GDP, showing underutilized resources and idle capacity.
(E) Answer not known

37. Select the correct sequence that represents the theoretical pathway of structural transformation in an economy according to classical development models:

(A) Tertiary Sector to Primary Sector to Secondary Sector
(B) Secondary Sector to Tertiary Sector to Primary Sector
(C) Primary Sector to Secondary Sector to Tertiary Sector
(D) Primary Sector to Quaternary Sector to Secondary Sector
(E) Answer not known

38. Identify the incorrectly matched pair regarding economic indices and their core focus:

(A) HDI - Life expectancy, education, and per capita income
(B) Green GDP - Adjustment of traditional GDP

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for environmental degradation
(C) GDP Deflator - Focuses exclusively on calculating the prices of imported goods
(D) Inclusive Wealth - Total sum of a country's stock of natural, human, and physical capital
(E) Answer not known

39. What is the standard economic definition of "Potential GDP"?
(A) The absolute maximum output if the entire labor force works continuously for 24 hours.
(B) The total estimated GDP of a developing economy projected for the following fiscal decade.
(C) The GDP figure calculated entirely without considering the effects of systemic price inflation.
(D) The maximum real GDP an economy can sustain with full resource employment without inflation.
(E) Answer not known

40. Consider the following statements regarding Net National Product (NNP):
I. NNP is calculated by subtracting depreciation from Gross National Product (GNP).
II. NNP at factor cost is traditionally synonymous with National Income.
III. Depreciation represents the financial value of new capital goods added to the economy.
Which of the above statement(s) is/are correct?
(A) I only
(B) II and III
(C) I and II
(D) III only
(E) Answer not known

41. In the expenditure approach to measuring GDP, the component 'NX' stands for Net Exports. How is it calculated?
(A) Total Exports divided by Total Imports
(B) Total Exports minus Total Imports
(C) Total Imports minus Total Exports
(D) Total Exports plus Total Imports
(E) Answer not known

42. Based on the following Assertion (A) and Reason (R), choose the correct option:
Assertion (A): A rising Trade-to-GDP ratio indicates increasing global integration and openness of the Indian economy.
Reason (R): Following the 1991 economic reforms, India significantly reduced import tariffs and eliminated quantitative restrictions on trade.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

43. Which of the following statements correctly differentiates between Nominal GDP and Real GDP?
(A) Nominal GDP uses current prices, while Real GDP uses base year constant prices.
(B) Nominal GDP is adjusted for inflation, whereas Real GDP is calculated using market prices.
(C) Real GDP reflects changes in price levels over time without considering physical output.
(D) Real GDP is always numerically higher than Nominal GDP regardless of the inflation rate.
(E) Answer not known

44. Match the following infrastructure investments with their primary economic growth connection:
List I: (Infrastructure Investment)
P. Roads and Railways
Q. Ports
R. Power generation
S. Telecommunication
List II: (Economic Growth Connection)
I. Digital economy and quaternary sector growth
II. Internal transport of goods and mobility of labour
III. Uninterrupted industrial manufacturing processes
IV. International trade and cargo handling
(A) P-IV, Q-II, R-I, S-III
(B) P-II, Q-IV, R-III, S-I
(C) P-III, Q-I, R-IV, S-II
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

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98. While assessing economic welfare, GDP calculation famously fails to capture several key aspects of society. Which of the following is NOT one of those excluded aspects?
(A) The verifiable income generated by formal sector corporate entities
(B) The shadow, illicit, or underground economy
(C) The intangible value of leisure time enjoyed by citizens
(D) The immense unpaid care work routinely performed by family members
(E) Answer not known

99. Why is Tamil Nadu often cited by economists as a successful model of structural transformation in India?
(A) It has mathematically and completely eradicated poverty and urban unemployment.
(B) It relies almost exclusively on primary sector exports for its state revenue.
(C) It was the absolute first state globally to adopt the Gross National Happiness index.
(D) Smooth transition via a robust manufacturing base and strong IT services.
(E) Answer not known

100. If India's GDP at market prices is mathematically growing at a faster rate than its GVA at basic prices during a specific financial year, what can be logically inferred?
(A) The government has significantly increased product subsidies while reducing product taxes.
(B) Net product taxes (Product taxes minus Product subsidies) have increased during that period.
(C) The actual physical production of goods has drastically fallen while intangible services have boomed.
(D) The economy is experiencing severe structural deflation.
(E) Answer not known

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(E) Answer not known

51. Consider the following statements regarding consumption patterns in India:
I. Private final consumption expenditure (PFCE) forms the largest component of India's GDP.
II. Rural consumption patterns in India show a higher proportion of income spent on food compared to urban areas.
III. Urban consumption is increasingly shifting towards services and durable goods.
IV. PFCE strictly includes only the expenditure made by the government on social services.
V. Rising per capita income generally leads to a decline in the percentage of income spent on essential food necessities.
Which of the above statement(s) is/are correct?
(A) I, II, III and V
(B) I, II, IV and V
(C) II, IV and V
(D) I, III and IV
(E) Answer not known

52. Which of the following is an example of an 'Intermediate Good' that should NOT be counted directly in GDP to avoid the problem of double counting?
(A) A new tractor purchased by a farmer in Thanjavur for harvesting
(B) A smartphone purchased by a college student in Madurai for personal use
(C) A newly constructed apartment bought by a family residing in Chennai
(D) Cotton yarn purchased by a garment manufacturing factory in Tiruppur
(E) Answer not known

53. Based on the following Assertion (A) and Reason (R), choose the correct option:
Assertion (A): Foreign Direct Investment (FDI) is crucial for India's economic growth as it brings in non-debt creating capital, new technology, and modern management practices.
Reason (R): The primary sector remains the largest employer in the Indian economy.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

54. Which of the following is the most relevant factor contributing to India's unique structural transformation that largely bypassed the manufacturing sector?
(A) Abundant fertile agricultural land satisfied all rural and urban employment needs completely.
(B) The sudden discovery of massive domestic petroleum reserves during the late 1970s.
(C) Higher education investments created a skilled workforce fueling IT and service exports.
(D) Strict implementation of colonial-era laws that favored primary sector workers exclusively.
(E) Answer not known

55. Which of the following represents the correct mathematical formula for calculating the GDP Deflator?
(A) (Real GDP / Nominal GDP) × 100
(B) (Nominal GDP - Real GDP) / 100
(C) (Real GDP + Nominal GDP) / 2
(D) (Nominal GDP / Real GDP) × 100
(E) Answer not known

56. What is the primary economic disadvantage of households preferring physical savings, such as gold, over financial savings like bank deposits?
(A) These savings do not enter the formal system, limiting funds for industrial capital investment.
(B) Gold investments are entirely illiquid assets that cannot be sold or pledged for credit.
(C) Gold investments yield higher taxable returns than bonds, increasing the national tax burden.
(D) Preference for gold leads to an immediate appreciation of domestic currency in global markets.
(E) Answer not known

57. Which of the following statements regarding economic statistical organizations is incorrect?
(A) An organization primarily focused on the systematic compilation of National Accounts.
(B) The central bank constitutionally mandated

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45. If an economist in Chennai is calculating the GDP of Tamil Nadu using the Income Approach, which of the following elements will they NOT include in their calculation?
(A) Wages paid to IT professionals working in OMR
(B) Rent collected from commercial properties situated in Coimbatore
(C) Profits earned by automobile manufacturing firms in Oragadam
(D) Value of raw cotton purchased by a textile mill in Tiruppur
(E) Answer not known

46. Consider the following statements regarding the Demographic Dividend:
I. It refers to the economic growth potential resulting from a shift in a population's age structure.
II. It occurs when the share of the working-age population is larger than the non-working-age share.
III. India's demographic dividend is expected to persist well into the mid-21st century.
IV. Skilling and education are irrelevant to reaping the actual benefits of the demographic dividend.
Which of the above statement(s) is/are correct?
(A) I, II and IV
(B) I, II and III
(C) II and IV
(D) I and III
(E) Answer not known

47. Arrange the following steps in the logical sequence for calculating GDP using the Production (Value Added) Approach:
1. Deduct intermediate consumption from the gross value of output
2. Identify the producing enterprises and classify them into economic sectors
3. Add net product taxes to arrive at GDP at market prices
4. Calculate the gross value of output for each classified sector
(A) 2, 1, 4, 3
(B) 4, 1, 2, 3
(C) 2, 4, 1, 3
(D) 1, 3, 2, 4
(E) Answer not known

48. Which of the following is a correctly described component of economic expenditure?
(A) Direct financial subsidies provided by the state to support small-scale and marginal farmers.
(B) Regular and consistent purchase of consumer durable goods by domestic household units.
(C) The final sale of personal passenger vehicles to individual end consumers in the market.
(D) Public spending incurred on defense, internal security, and general public administration.
(E) Answer not known

49. When comparing India's GDP growth rate in the pre-liberalisation era with the post-liberalisation era, which of the following accurately describes the trend?
(A) Growth averaged 3.5% pre-liberalisation and often exceeded 6% post-liberalisation.
(B) Growth was entirely export-driven before 1991 and became agriculture-led after reforms.
(C) Industrial growth became highly volatile post-1991 compared to stable growth in the 1970s.
(D) The share of the agricultural primary sector in India's GDP increased significantly after 1991.
(E) Answer not known

50. Match the following eminent figures with their associated economic concepts/models:
List I: (Eminent Figures)
P. Raj Krishna
Q. Arthur Lewis
R. Simon Kuznets
S. P.C. Mahalanobis
List II: (Economic Concepts/Models)
I. Structural transformation and surplus labour
II. Heavy industry strategy in the Second Five-Year Plan
III. Coining the term "Hindu rate of growth"
IV. Standardization of modern national income accounting
(A) P-II, Q-IV, R-I, S-III
(B) P-III, Q-I, R-IV, S-II
(C) P-IV, Q-III, R-II, S-I
(D) P-I, Q-II, R-III, S-IV

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64. Consider the following statements regarding the economic impact of remittances:
I. Remittances received from Indians working abroad are directly included in India's Gross Domestic Product (GDP).
II. Remittances are included in India's Gross National Product (GNP) as part of Net Factor Income from Abroad (NFIA).
III. India is historically recognized as the largest recipient of remittances globally.
IV. Remittances positively impact the balance of payments by substantially supporting the current account.
Which of the above statement(s) is/are incorrect?
(A) I, II and III
(B) I and II
(C) III and IV
(D) I, II and IV
(E) Answer not known

65. A distinctive feature of the tertiary sector, which clearly sets it apart from the primary and secondary sectors, is that:
(A) It provides intangible services that facilitate production, distribution, and trade.
(B) It relies almost entirely on the direct extraction of raw materials.
(C) It requires massive fixed capital investment in heavy metallurgical machinery.
(D) It produces tangible, final consumer goods for direct retail consumption.
(E) Answer not known

66. Arrange the following Indian states in descending order of their historical contribution to India's national GDP (as per recent broad trends):
1. Maharashtra
2. Tamil Nadu
3. Karnataka
4. Kerala
(A) 2, 1, 3, 4
(B) 1, 2, 3, 4
(C) 1, 3, 2, 4
(D) 2, 3, 1, 4
(E) Answer not known

67. Identify the correctly matched pair regarding the sectoral impact during the 2020-21 COVID-19 lockdown in India:
(A) Agriculture Sector - Registered positive growth despite the overall contraction
(B) Trade, Hotels, Transport - Completely unaffected by the lockdown measures
(C) IT Services - Experienced the deepest contraction among all economic sectors
(D) Construction Sector - Showed a rapid boom during the first quarter of 2020
(E) Answer not known

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68. The Human Development Index (HDI) is widely used as an alternative to GDP for measuring welfare. Which of the following is NOT an indicator used in calculating HDI?
(A) Life expectancy at birth
(B) Mean years of schooling
(C) Gross National Income (GNI) per capita
(D) Level of carbon emissions per capita
(E) Answer not known

69. Match the following components of domestic savings with their corresponding examples:
List I: (Components of Domestic Savings)
P. Household Financial Savings
Q. Public Savings
R. Corporate Savings
S. Physical Savings
List II: (Examples)
I. Retained earnings of private sector companies
II. Revenue surplus of the government and profits of PSUs
III. Investments by citizens in residential housing
IV. Provident funds and life insurance funds
(A) P-II, Q-III, R-I, S-IV
(B) P-III, Q-I, R-IV, S-II
(C) P-IV, Q-II, R-I, S-III
(D) P-I, Q-IV, R-II, S-III
(E) Answer not known

70. Based on the following Assertion (A) and Reason (R), choose the correct option:
Assertion (A): The back series data released by the CSO for the pre-2011 period significantly increased the historical GDP growth rates of the previous decade.
Reason (R): Base year revisions are periodically undertaken to capture structural changes in the economy.
(A) Both A and R are true and R is the correct explanation of A.

to compile and publish official GDP data.
(C) An agency that conducts large-scale socio-economic sample surveys across the nation.
(D) A state-level nodal agency in Tamil Nadu responsible for managing statistical data.
(E) Answer not known

58. Consider the following statements regarding the Secondary Sector:
I. The secondary sector encompasses manufacturing, construction, and electricity generation.
II. Construction activities are strictly excluded from the secondary sector and classified under services.
III. In Tamil Nadu, the secondary sector has a stronger presence compared to many other states due to sustained industrialization policies.
Which of the above statement(s) is/are incorrect?
(A) I and III
(B) II and III
(C) I only
(D) II only
(E) Answer not known

59. Which of the following statements about Gross Value Added (GVA) is incorrect?
(A) GVA at basic prices includes product subsidies and thoroughly excludes all product taxes.
(B) GVA provides a picture of the state of economic activity specifically from the producers' perspective.
(C) Sectoral growth rates in India are typically analyzed using GVA at basic prices.
(D) The RBI and policymakers use sectoral GVA data to assess the individual performance of agriculture, industry, and services.
(E) Answer not known

60. Match the following economic theories/models with their core principles:
List I: (Economic Theories/Models)
P. Lewis Model
Q. Engel's Law
R. Premature Deindustrialisation
S. V-shaped recovery
List II: (Core Principles)
I. Rapid economic rebound immediately following a sharp crisis
II. Shrinking of the manufacturing share at relatively lower per capita income levels
III. Transfer of surplus labour from agriculture to the capitalist industrial sector
IV. Decreasing share of food expenditure as overall consumer income rises
(A) P-IV, Q-II, R-I, S-III
(B) P-III, Q-IV, R-II, S-I
(C) P-II, Q-III, R-IV, S-I
(D) P-I, Q-IV, R-II, S-III
(E) Answer not known

61. Which of the following activities is classified as a 'non-market activity' and is consequently excluded from national GDP calculation?
(A) Services rendered by a paid domestic worker in a household
(B) Consultation fees formally paid to a registered medical practitioner
(C) The purchase of a second-hand car from a GST-registered auto dealer
(D) Vegetables organically grown in a backyard kitchen garden entirely for self-consumption
(E) Answer not known

62. Based on the following Assertion (A) and Reason (R), choose the correct option:
Assertion (A): When a country's Gross Domestic Investment exceeds its Gross Domestic Savings, it must borrow from abroad, leading to a Current Account Deficit.
Reason (R): The macroeconomic equation S - I = X - M dictates that a domestic investment shortfall is mathematically financed by net foreign capital inflows.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

63. In the context of India's national accounts, the base year was comprehensively revised from 2004-05 to 2011-12 in which year?
(A) 2013
(B) 2015
(C) 2017
(D) 2019
(E) Answer not known

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III. Subsidies directly given to small-scale industries based on output volume
IV. Subsidies given to railways and to farmers for fertilizers
(A) P-III, Q-II, R-I, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-I, Q-IV, R-II, S-III
(D) P-IV, Q-III, R-I, S-II
(E) Answer not known

78. Which United Nations-backed report formally introduced the concept of the 'Inclusive Wealth Index' to comprehensively assess the sustainability of an economy by measuring its capital assets?
(A) UN Human Development Report focusing on health and education indices.
(B) World Bank World Development Report focusing on global poverty trends.
(C) UN Environment Programme (UNEP) Inclusive Wealth Report.
(D) IMF World Economic Outlook focusing on global macroeconomic projections.
(E) Answer not known

79. Based on the following Assertion (A) and Reason (R), choose the correct option:
Assertion (A): Government Final Consumption Expenditure (GFCE) exclusively includes spending on the armed forces.
Reason (R): Governments implement fiscal policies to provide social services and maintain general public administration.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

80. Which of the following statements correctly reflects the medium-term economic outlook and challenges for India as per recent economic surveys?
(A) Population growth has stabilized, eliminating the need for any further job creation.
(B) The transition to a green economy will bypass the need for industrial manufacturing.
(C) High logistics costs provide a significant competitive advantage to India's exports.
(D) Harnessing the demographic dividend requires human capital investment and job creation.
(E) Answer not known

81. Consider the following statements regarding the structural transformation in Tamil Nadu:
I. Tamil Nadu has a higher share of the secondary sector in its GSDP compared to the all-India national average.
II. The state serves as a major national hub for automobile manufacturing and textile industries.
III. Agriculture employs less than 10% of the workforce in Tamil Nadu today.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

82. If a country's Nominal GDP grew by 10% in a given financial year, but the GDP deflator indicates an inflation rate of 12% for the very same year, what happened to the Real GDP?
(A) Real GDP grew by exactly 2%.
(B) Real GDP declined by approximately 2%.
(C) Real GDP grew phenomenally by 22%.
(D) Real GDP remained entirely unchanged.
(E) Answer not known

83. Consider the following statements regarding Gross Fixed Capital Formation (GFCF):
I. GFCF is a macroeconomic indicator of fixed investment in an economy.
II. It includes purchases of plant, machinery, and equipment by productive enterprises.
III. It completely excludes the construction of roads, bridges, and railways by the government.
IV. A rising GFCF as a percentage of GDP generally signals positive future economic growth.
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) II, III and IV
(C) I and II
(D) I and IV
(E) Answer not known

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(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

71. If an Indian state rapidly skips the intensive manufacturing phase and transitions directly to a service-led economy, what is the most likely long-term developmental challenge it will face?
(A) A persistent and severe shortage of domestic agricultural output across the state.
(B) Excessive and uncontrollable deflation within the domestic IT software service sector.
(C) An over-reliance on primary sector raw material exports to international markets.
(D) Failure to absorb a large pool of low-skilled surplus labor from rural areas.
(E) Answer not known

72. Consider the following statements regarding the measurement of National Income:
I. Simon Kuznets is credited with developing the modern concept of GDP.
II. In India, the first scientific estimate of National Income was made by V.K.R.V. Rao.
III. Dadabhai Naoroji made the earliest attempt to calculate India's national income.
IV. The National Income Committee was established in 1949 under the chairmanship of P.C. Mahalanobis.
V. The expenditure method is the sole method legally permitted by the NSO to calculate India's GDP.
Which of the above statement(s) is/are correct?
(A) I, II, III and IV
(B) I, III, IV and V
(C) II, III and V
(D) I, II and V
(E) Answer not known

73. What is the most compelling economic reason for the periodic revision of the base year for national accounts?
(A) To artificially inflate the GDP growth rate to attract more foreign investment.
(B) To account for structural changes, include new products, and reflect current prices.
(C) To perfectly sync the financial year accounting with the local agricultural cycle.
(D) To strictly shift the basis of calculation from real GDP to nominal GDP.
(E) Answer not known

74. Select the correct chronological evolution of the sector with the largest percentage share in India's GDP from 1950 to the present:
(A) Primary Sector → Secondary Sector → Tertiary Sector
(B) Primary Sector → Tertiary Sector
(C) Secondary Sector → Primary Sector → Tertiary Sector
(D) Tertiary Sector → Primary Sector
(E) Answer not known

75. Identify the incorrectly matched macroeconomic equation:
(A) National Income = GDP at market prices + Depreciation
(B) GDP at market prices = GVA at basic prices + Product taxes - Product subsidies
(C) GVA at basic prices = GVA at factor cost + Production taxes - Production subsidies
(D) NNP at market prices = GNP at market prices - Depreciation
(E) Answer not known

76. The Capital Output Ratio, a critical metric in economic planning, is defined as:
(A) The ratio of the total financial capital of banks to the total output of the economy.
(B) The precise ratio of physical capital to human capital in a specific heavy industry.
(C) The amount of capital required to produce one single unit of output.
(D) The total industrial output generated strictly by foreign direct investment.
(E) Answer not known

77. Match the following types of economic taxes and subsidies with their correct examples:
List I: (Taxes and Subsidies)
P. Product Tax
Q. Production Tax
R. Product Subsidy
S. Production Subsidy
List II: (Examples)
I. Land revenues and professional stamp duties
II. Goods and Services Tax (GST) and excise duties

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(C) Persistent infrastructural bottlenecks and relatively high internal logistics costs
(D) Intense market competition from cheaper imported manufactured goods
(E) Answer not known

91. Consider the following statements regarding the National Statistical Office (NSO):
I. NSO operates under the Ministry of Statistics and Programme Implementation (MoSPI).
II. It was created by formally merging the CSO and the NSSO.
III. NSO is directly responsible for conducting the decennial population census in India.
IV. It officially compiles the Wholesale Price Index (WPI).
V. The Reserve Bank of India strictly controls the administrative functioning of the NSO.
Which of the above statement(s) is/are incorrect?
(A) I, II and III
(B) III, IV and V
(C) II, III, IV and V
(D) I, III, IV and V
(E) Answer not known

92. What is a major macroeconomic disadvantage of India's heavy reliance on the service sector for GDP growth, bypassing traditional manufacturing?
(A) The service sector consumes a massive amount of raw materials compared to manufacturing.
(B) Service exports absolutely do not earn any foreign exchange for the country.
(C) The service sector is structurally immune to various global economic downturns.
(D) It creates fewer jobs for low-skilled rural labor migrating to urban areas.
(E) Answer not known

93. Select the correct combination that constitutes the standard formula for calculating GDP at Factor Cost under the Income method:
(A) Total Consumption + Total Investment + Government Spending components.
(B) Gross Value of Output minus the value of Intermediate Consumption.
(C) Wages + Rent + Interest + Profits + Mixed Income.
(D) Total Exports plus Total Imports minus the annual Depreciation cost.
(E) Answer not known

94. Identify the correctly matched pair regarding India's economic history phases:
(A) 1950s to 1980s: Era of sustained double-digit economic growth rates.
(B) Post-1991: Economic reforms, liberalization, and growth acceleration.
(C) 2020 to 2021: Period of the highest recorded GDP growth post-independence.
(D) 2004 to 2008: Period universally termed as the 'Hindu rate of growth'.
(E) Answer not known

95. Which of the following statements about Gross Domestic Savings in India is incorrect?
(A) High domestic savings facilitate higher levels of domestic capital formation.
(B) Corporate savings represent the retained earnings of private and public firms.
(C) Financial savings of households are channeled into investments through banks.
(D) Household savings consist purely of physical assets, excluding financial savings.
(E) Answer not known

96. The 'Gig Economy', which relies heavily on platform-based, short-term contract work such as food delivery and ride-sharing, is predominantly classified under which sector?
(A) Tertiary Sector
(B) Primary Sector
(C) Secondary Sector
(D) Quaternary Sector
(E) Answer not known

97. A distinguishing feature of India's GDP growth in the decade immediately following the 1991 economic reforms (1992-2002) compared to the 1980s was:
(A) The complete and intentional elimination of the agricultural sector from GDP.
(B) Rapid nationalization of all major commercial banks to spur economic growth.
(C) Global integration leading to a surge in FDI and IT service exports.
(D) The strict implementation of the heavy industrialization model of development.
(E) Answer not known

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84. When comparing the Per Capita Income (PCI) of Tamil Nadu with the national average of India, which of the following statements is historically true?
(A) Significantly lower than the national average due to high population density.
(B) No noticeable or statistical difference between the state and national averages.
(C) Higher in the 1990s but has fallen drastically below the average recently.
(D) Higher than the national average, reflecting better economic development and industrialization.
(E) Answer not known

85. Identify the correctly matched pair regarding economic sectors and concepts:
(A) Lewis Model - Exclusively deals with heavy industry privatization
(B) Extractive economic industries like mining and forestry - Primary Sector
(C) Quaternary Sector - Predominantly unskilled manual labour
(D) Secondary Sector - Specialized banking and insurance services
(E) Answer not known

86. Arrange the following economic activities in the correct order they typically evolve from an agrarian baseline to a knowledge-based economy:
1. Software development
2. Cotton farming
3. Textile manufacturing
4. Retail trading of garments

(A) 3, 2, 1, 4
(B) 4, 3, 2, 1
(C) 2, 4, 3, 1
(D) 2, 3, 4, 1
(E) Answer not known

87. Under the Income Approach to GDP calculation, which of the following is classified as 'Mixed Income of the Self-Employed'?
(A) Large dividends paid to wealthy shareholders of a major multinational corporation.
(B) The fixed monthly salary drawn by a senior-level government administrative officer.
(C) The rent received by a landlord from a corporate tenant for prime office space.
(D) Income earned by a local tea stall owner who manages and works in the stall.
(E) Answer not known

88. Match the following economic terms with their accurate definitions:
List I: (Economic Terms)
P. Depreciation
Q. Subsidies
R. Net Exports
S. Remittances
List II: (Definitions)
I. Value of total exports minus value of total imports
II. Normal consumption of fixed capital due to wear and tear
III. Transfers received from abroad not classified as factor income
IV. Financial assistance given by the government to keep market prices low

(A) P-III, Q-I, R-IV, S-II
(B) P-II, Q-IV, R-I, S-III
(C) P-IV, Q-II, R-I, S-III
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

89. Based on the following Assertion (A) and Reason (R), choose the correct option:
Assertion (A): Rapid GDP growth driven by intensive industrialization often leads to severe environmental degradation if not strictly regulated.
Reason (R): Traditional GDP calculations positively account for the cleanup costs of pollution, paradoxically increasing GDP when environmental disasters occur.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

90. Which of the following is the least relevant factor explaining the ongoing debate on India's "premature deindustrialisation" and structural manufacturing weakness?
(A) Lack of adequate technological advancement in deep space exploration programs
(B) Stringent, complex labor laws and difficult regulatory compliance requirements

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ANSWERS

1. (A) The shift in sectoral composition, usually from primary to secondary and tertiary sectors
Structural transformation involves a significant shift in the relative shares of various sectors in an economy. In developing regions like Tamil Nadu, this transition typically entails moving from a heavy reliance on primary activities, such as agriculture, to more productive secondary and tertiary sectors. This process reflects the changing nature of production and labor employment over time.

2. (A) I and III
The primary sector includes activities like agriculture, forestry, fishing, and mining, which involve direct extraction from nature. In Tamil Nadu, the tertiary and secondary sectors contribute far more to the Gross State Domestic Product than the primary sector. Thus, statements regarding natural resource harvesting are accurate, while claims about it being the largest contributor to the economy are incorrect.

3. (A) National Sample Survey Office (NSSO)
The National Statistical Office was established through the strategic merger of the Central Statistics Office and the National Sample Survey Office. Operating under the Ministry of Statistics and Programme Implementation, this entity streamlines data collection and analysis. It serves as the primary agency for generating national accounts, managing large-scale surveys, and publishing key economic indicators across the country.

4. (B) P-IV, Q-II, R-III, S-I
Economic activities are classified into specific sectors based on their nature. The primary sector involves resource extraction like forestry and fishing, while the secondary sector focuses on manufacturing and construction. The tertiary sector provides services like trade and transport, whereas the quaternary sector involves intellectual activities like research and information technology. Understanding these divisions helps in analyzing structural changes within a nation.

5. (A) Both A and R are true and R is the correct explanation of A.
Gross Domestic Product is an imperfect measure of societal well-being because it only tracks the market value of goods and services produced. It ignores crucial factors such as the distribution of income, environmental sustainability, and unpaid household labor. Consequently, while GDP measures economic activity, it fails to reflect the qualitative aspects of human life or long-term ecological health.

6. (C) Transfer of surplus labour from agriculture to high-productivity industrial sectors
The Lewis model explains structural transformation by highlighting the movement of surplus labor from the traditional, low-productivity agricultural sector to the modern, high-productivity industrial sector. This transition is fueled by the accumulation of capital and technological investment. It assumes that agricultural workers can be moved without reducing total food output, thereby promoting industrial growth and increasing overall national productivity.

7. (D) Production approach - Total volume of money supply in circulation
The production approach, also known as the value-added method, calculates GDP by summing the gross value added by all productive sectors of the economy. It subtracts intermediate consumption from the gross value of output to avoid double counting. Measuring the total volume of money supply in circulation is unrelated to this approach and is a function of monetary policy tracking.

8. (A) Premature deindustrialisation
Premature deindustrialisation occurs when a developing economy experiences a decline in its manufacturing sector's share of output and employment before achieving high per capita income. Instead of following the traditional path from industry to services, these economies leapfrog directly into services. This trend can create long-term developmental challenges,

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designed to provide a producer-centric view of economic output, allowing policymakers and the RBI to assess the performance of individual sectors like agriculture and industry. It is a critical metric for understanding the structural health and growth of various economic components.

60. (B) P-III, Q-IV, R-II, S-I
The Lewis model describes the transfer of surplus labor from agriculture to industry. Engel's Law states that as income rises, the proportion spent on food decreases. Premature deindustrialisation refers to a shrinking manufacturing sector at lower income levels. A V-shaped recovery signifies a rapid economic rebound after a sharp crisis. These principles help explain different phases and phenomena within national and global economies.

61. (D) Vegetables organically grown in a backyard kitchen garden entirely for self-consumption.
GDP only includes goods and services that are traded in the market and have a verifiable monetary value. Vegetables grown in a private garden for personal use do not enter the market and are therefore classified as non-market activities. Other activities, like paying a domestic worker or a doctor, involve market transactions and are included in the national income calculations as formal services.

62. (A) Both A and R are true and R is the correct explanation of A.
In macroeconomics, the gap between a country's domestic savings and its total investment must be bridged by external funds. When investment exceeds savings, the country must borrow from abroad, resulting in a current account deficit. This relationship is mathematically expressed as S - I = X - M, where a shortfall in domestic savings is financed by net capital inflows from other countries.

63. (B) 2015
India comprehensively revised the base year for its national accounts from 2004-05 to 2011-12 in the year 2015. This update was performed by the Central Statistics Office to better capture the changing structure of the Indian economy. The revision included new data sources and improved methodologies, aligning India's statistical practices more closely with international standards for measuring Gross Domestic Product.

64. (B) I and II
Remittances from abroad are not part of a country's Gross Domestic Product because they are transfers rather than domestic production. Furthermore, they are generally classified as current transfers in the balance of payments rather than factor income, so they are not typically included in Gross National Product. India is indeed a top recipient of remittances, which significantly support its current account and overall economy.

65. (A) It provides intangible services that facilitate production, distribution, and trade.
The tertiary sector is unique because it produces intangible services rather than physical goods. These services, such as banking, transport, and communication, are essential for supporting the activities of both the primary and secondary sectors. Unlike agriculture or manufacturing, which focus on resource extraction and processing, the tertiary sector focuses on providing the necessary infrastructure and expertise for a modern, functioning economic system.

66. (B) 1, 2, 3, 4
Based on recent economic trends, Maharashtra remains the largest contributor to India's national GDP, followed by Tamil Nadu. Karnataka holds the third position, driven by its strong IT sector, while Kerala, though highly developed in terms of social indicators, has a smaller total economic output compared to these larger industrialized states. This descending order reflects the relative size and industrial capacity of these regional economies.

67. (A) Agriculture Sector - Registered positive growth despite the overall contraction.
During the 2020-21 fiscal year, the Indian economy faced a sharp contraction due to pandemic-related lockdowns. However, the agricultural sector remained resilient, registering positive growth while industrial and service sectors declined. This was because agricultural activities were exempt from many restrictions and benefited from favorable monsoon conditions. In contrast, contact-intensive services like tourism

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of environmental degradation and resource depletion from traditional GDP figures. For states with significant natural resources and coastlines, this metric helps policymakers understand the long-term ecological impact of growth. It ensures that economic development does not come at the expense of natural capital essential for future generations' prosperity.

18. (C) Electricity, Gas, and Water supply - Secondary Sector
Economic sectors are defined by the nature of their production processes. The secondary sector includes manufacturing, construction, and utilities like electricity, gas, and water supply. Mining is usually categorized as a primary activity, while trade and hospitality belong to the tertiary sector. Real estate and professional services are also tertiary, making the classification of utilities within the secondary sector the correct match.

19. (A) Raj Krishna
The term "Hindu Rate of Growth" was coined by the Indian economist Raj Krishna to describe the slow annual growth rate of approximately 3.5% that characterized the Indian economy from the 1950s to the 1980s. This low growth was attributed to socialist policies and bureaucratic controls. It remained a common descriptor until the economic liberalisation reforms of 1991 led to significantly higher growth.

20. (D) Consumption, Investment, Government expenditure, Net Exports
The expenditure approach calculates GDP by summing all final spending in the economy. The components include Private Final Consumption Expenditure, Gross Capital Formation or Investment, Government Final Consumption Expenditure, and Net Exports, which is the difference between total exports and total imports. This formula provides a comprehensive view of aggregate demand and how different sectors of the economy contribute to total national production levels.

21. (B) The agricultural sector experienced the highest negative growth among all sectors during the 2020 lockdown.
During the COVID-19 pandemic, most sectors of the Indian economy faced severe contraction due to lockdowns. However, the agricultural sector was a notable exception, maintaining positive growth because it was classified as an essential service and was less affected by urban restrictions. In contrast, the manufacturing and service sectors, particularly those involving high human contact, experienced much deeper and more prolonged economic declines.

22. (A) P-IV, Q-III, R-II, S-I
Gross domestic savings represent the portion of national income not spent on consumption by various sectors. Gross capital formation refers to the total investment in physical assets like infrastructure and machinery. The incremental capital-output ratio measures the efficiency of investment by calculating additional capital needed for extra output. Potential GDP indicates the maximum sustainable production level achievable under full resource employment without causing inflation.

23. (C) I only
Gross Value Added at basic prices excludes product taxes and includes product subsidies, which is the opposite of the incorrect claim. GVA provides a producer-side view of economic activity by sector. To calculate GDP at market prices, one must add product taxes and subtract product subsidies from the total GVA at basic prices, ensuring that the market valuation is accurately represented.

24. (A) Both A and R are true and R is the correct explanation of A.
India's Gross National Product is typically lower than its Gross Domestic Product because the Net Factor Income from Abroad is negative. This occurs because the income paid out to foreign investors and creditors exceeds the income received by Indian residents from abroad. Since GNP is calculated by adding this net income to GDP, a negative value results in a lower national aggregate figure.

25. (B) Rapid heavy industrialization and aggressive urbanization
The concept of Gross National Happiness focuses on holistic development through four specific pillars: sustainable socio-economic development, environmental conservation, cultural preservation, and good governance. It prioritizes psychological well-being and ecological balance

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76. (C) The amount of capital required to produce one single unit of output.
The Capital Output Ratio is a measure of the efficiency with which capital is used in an economy. It defines the specific amount of investment or physical capital needed to generate one unit of economic output. A lower ratio suggests that the economy is highly efficient, producing more with less capital, whereas a higher ratio indicates lower productivity or the need for more intensive investment to achieve growth.

77. (B) P-II, Q-I, R-IV, S-III
Product taxes, like GST and excise duties, are levied on each unit of a good produced. Production taxes, such as land revenue and stamp duties, are paid regardless of the output volume. Product subsidies, like those for fertilizers or railways, are given per unit. Production subsidies are often provided to support small-scale industries based on overall operational factors rather than just the final volume of goods produced.

78. (C) UN Environment Programme (UNEP) Inclusive Wealth Report.
The Inclusive Wealth Index was introduced by the United Nations Environment Programme to provide a more comprehensive measure of a nation's wealth than traditional GDP. It assesses the total stock of a country's manufactured, human, and natural capital. This index aims to evaluate the sustainability of economic growth by ensuring that the depletion of natural resources is balanced against the creation of other forms of productive assets.

79. (D) A is false but R is true.
Government Final Consumption Expenditure is a broad category that includes spending on various public services, not just the armed forces. It covers health, education, and general administrative costs. While the reason correctly identifies that governments use fiscal policies to provide these social services and maintain public administration, the assertion is false because it overly restricts the scope of government spending to a single sector like defense.

80. (D) Harnessing the demographic dividend requires human capital investment and job creation.
Recent economic surveys emphasize that India's large working-age population presents a significant opportunity for growth. However, to truly harness this demographic dividend, the country must invest heavily in human capital through education, healthcare, and vocational training. Furthermore, the economy must generate sufficient high-quality jobs to absorb the millions of young people entering the workforce each year, ensuring that the potential for rapid economic expansion is realized.

81. (A) I and II
Tamil Nadu is recognized as a leading industrial state in India, with its secondary sector contributing a higher share to its GSDP than the national average. The state has successfully established itself as a major hub for both automobile manufacturing and textiles. While agriculture's share of output has declined, it still employs a significant portion of the workforce, much more than the suggested level of less than 10%.

82. (B) Real GDP declined by approximately 2%.
Real GDP is calculated by adjusting Nominal GDP for inflation. If Nominal GDP grows by 10% while the inflation rate, as measured by the GDP deflator, is 12%, the increase in the value of output is entirely due to rising prices. In fact, since inflation exceeds nominal growth, the actual physical volume of goods and services produced has decreased. This results in a decline of approximately 2% in the Real GDP.

83. (C) I and II
Gross Fixed Capital Formation is a critical indicator of investment in physical assets like machinery, equipment, and plant. It also includes government spending on vital infrastructure like roads, railways, and bridges. A rising GFCF usually signals future economic growth by expanding the nation's productive capacity. However, the claim that it excludes infrastructure projects like roads and railways is incorrect, as these are core components of fixed capital investment.

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34. (C) Investment efficiency has declined as more capital is needed for each unit of output.
The Incremental Capital Output Ratio measures the amount of additional capital required to produce one extra unit of economic output. An increase in this ratio from 4 to 5 indicates that the economy has become less efficient, as more investment is now needed to achieve the same level of growth. This decline in productivity can stem from aging infrastructure, technological stagnation, or mismanagement.

35. (B) II, III and V
Per capita income is calculated by dividing total national income by the population, but it is not a flawless measure of living standards as it ignores income inequality and wealth distribution. Historically, Tamil Nadu's per capita income has been higher, not lower, than the Indian national average. Therefore, claims about it being a perfect measure or below the average are factually incorrect statements.

36. (D) Actual GDP is less than potential GDP, showing underutilized resources and idle capacity.
A negative output gap occurs when an economy's actual production falls below its potential level at full employment. This indicates that resources like labor and machinery are being underutilized, often leading to higher unemployment and lower inflationary pressures. It typically happens during economic slowdowns or recessions when aggregate demand is insufficient to keep all productive factors fully engaged in the creation process.

37. (C) Primary Sector to Secondary Sector to Tertiary Sector
Classical development models describe a theoretical pathway where an economy evolves through distinct stages. It starts with the dominance of the primary sector, focused on agriculture and resource extraction. As productivity increases, the economy transitions to the secondary sector, characterized by manufacturing and industrialization. Finally, the tertiary sector becomes the primary driver, providing diverse services to a more affluent and urbanized population.

38. (C) GDP Deflator - Focuses exclusively on calculating the prices of imported goods.
The GDP deflator is a broad measure of systemic inflation that reflects the prices of all domestically produced final goods and services. It is not focused exclusively on imported goods; in fact, it tracks price changes across the entire domestic economy. Other indices like the Human Development Index and Green GDP are correctly described by their focus on welfare and environmental sustainability, respectively.

39. (D) The maximum real GDP an economy can sustain with full resource employment without inflation.
Potential GDP represents the theoretical maximum level of output an economy can produce when all its resources, such as labor and capital, are fully and efficiently employed. It serves as a benchmark for measuring economic performance without triggering excessive inflationary pressures. When actual GDP matches potential GDP, the economy is operating at its natural capacity, reflecting a state of healthy macroeconomic balance and stability.

40. (C) I and II
Net National Product is calculated by subtracting depreciation from Gross National Product, accounting for the wear and tear of capital assets. When measured at factor cost, NNP is the standard economic definition of National Income. Depreciation represents the decrease in value of physical capital over time, so it is subtracted from, rather than being a value of, newly added capital goods.

41. (B) Total Exports minus Total Imports
Net Exports is a key component of the expenditure approach to calculating GDP. It represents the value of a country's total exports to the rest of the world minus the value of its total imports from other nations. A positive figure indicates a trade surplus, contributing to GDP growth, while a negative figure signifies a trade deficit, which reduces the total domestic output value.

42. (A) Both A and R are true and R is the correct explanation of A.
A rising Trade-to-GDP ratio signifies that an economy is becoming more integrated with the global market through increased exports and

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imports. In India, this trend was largely driven by the 1991 economic reforms, which removed major trade barriers and reduced import tariffs. These policy shifts encouraged international commerce, allowing the total volume of trade to grow significantly relative to the country's overall output.

43. (A) Nominal GDP uses current prices, while Real GDP uses base year constant prices.
The fundamental difference between these two measures lies in their treatment of price changes. Nominal GDP is calculated using current market prices, which includes the effects of inflation. Real GDP uses constant prices from a specific base year to measure the value of goods and services. This approach allows economists to isolate changes in physical production volume from fluctuations caused by rising or falling prices.

44. (B) P-II, Q-IV, R-III, S-I
Different types of infrastructure support specific economic sectors. Roads and railways facilitate the internal transport of goods and labor mobility. Ports are critical for international trade and managing cargo shipments. Power generation ensures that industrial manufacturing processes remain uninterrupted. Finally, telecommunications infrastructure is the backbone of the digital economy and the growth of the quaternary sector, enabling high-speed data transfer and global connectivity.

45. (D) Value of raw cotton purchased by a textile mill in Tiruppur.
Under the income approach, GDP is calculated by summing the incomes earned by factors of production, including wages, rent, interest, and profits. The purchase of raw cotton by a textile mill represents an intermediate good transaction, which is excluded from final GDP calculations to avoid double counting. Such costs are part of the production process and are not considered factor incomes for households.

46. (B) I, II and III
The demographic dividend occurs when a country's working-age population is larger than its dependent population, potentially boosting economic growth. India is currently in a position to benefit from this shift for several decades. However, reaping these rewards is not automatic; it requires significant investment in education, healthcare, and skill development. Therefore, the claim that skilling is irrelevant to achieving this dividend is incorrect.

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47. (C) 2, 4, 1, 3
Calculating GDP via the production approach involves several logical steps. First, producing enterprises must be identified and classified into sectors like agriculture or industry. Next, the gross value of output for each sector is calculated. Then, intermediate consumption is deducted to find the gross value added. Finally, net product taxes are added to this total to arrive at the GDP at market prices.

48. (D) Public spending incurred on defense, internal security, and general public administration.
Government Final Consumption Expenditure is a major component of GDP that includes all spending by the public sector to provide services to the community. This includes essential functions such as national defense, internal security, and the general administration of the state. While subsidies and private consumer purchases are also part of economic activity, they are classified under different categories in the expenditure approach.

49. (A) Growth averaged 3.5% pre-liberalisation and often exceeded 6% post-liberalisation.
India's economic history is divided by the 1991 reforms. Before liberalisation, the economy grew slowly at an average rate of 3.5%, often called the "Hindu rate of growth." Following the reforms, which included deregulation and opening up to foreign trade, the growth rate accelerated significantly, frequently exceeding 6% annually. This shift marked a transition from a state-controlled system to a more market-oriented economy.

50. (B) P-III, Q-I, R-IV, S-II
Raj Krishna is known for coining the term "Hindu rate of growth." Arthur Lewis developed the model for structural transformation involving surplus labor. Simon Kuznets standardized modern national income accounting methodologies globally. P.C. Mahalanobis was the architect of India's Second Five-Year Plan, which emphasized heavy industry and rapid

industrialization. These figures have significantly shaped the understanding and planning of the Indian economy.

51. (A) I, II, III and V
Private final consumption expenditure is indeed the largest component of India's GDP. As per capita income rises, people spend a smaller percentage of their earnings on food, focusing more on services and durable goods. Rural areas still spend more on food than urban areas. However, PFCE includes all household spending, not just government social services, making the statement about its exclusion incorrect.

52. (D) Cotton yarn purchased by a garment manufacturing factory in Tiruppur.
Cotton yarn bought by a garment factory is an intermediate good because it is used as an input to produce a final product, such as a shirt. Counting the value of both the yarn and the finished garment in GDP would result in double counting. In contrast, tractors, smartphones, and new houses are considered final goods as they are used by end consumers.

53. (B) Both A and R are true but R is not the correct explanation of A.
Foreign Direct Investment is vital for India as it provides capital and technology without creating debt. Simultaneously, the primary sector, mainly agriculture, remains the largest employer in the country despite contributing less to the GDP than services or industry. While both statements are factually correct, the employment structure of the primary sector does not explain why FDI is important for growth.

54. (C) Higher education investments created a skilled workforce fueling IT and service exports.
India's structural transformation is considered unique because it largely bypassed the intensive manufacturing phase typical of developed nations. This was primarily due to significant early investments in higher education and technical institutes, which produced a large, English-speaking, skilled workforce. This group became the foundation for the rapid expansion of the information technology and service sectors, driving growth through high-value exports to global markets.

55. (D) (Nominal GDP / Real GDP) × 100
The GDP deflator is an economic metric used to measure the level of prices for all new, domestically produced, final goods and services in an economy. It is calculated by dividing the Nominal GDP by the Real GDP and then multiplying the result by 100. This ratio helps economists identify the extent to which inflation has affected the total value of national output.

56. (A) These savings do not enter the formal system, limiting funds for industrial capital investment.
When households prefer physical savings like gold or real estate over financial savings like bank deposits, the capital remains idle within the formal financial system. This limits the availability of funds that banks can lend to businesses for industrial and infrastructure investments. Consequently, high physical savings can slow down the overall rate of domestic capital formation and hinder long-term economic growth and development.

57. (B) The central bank constitutionally mandated to compile and publish official GDP data.
In India, the responsibility for compiling and publishing official GDP data rests with the National Statistical Office under the Ministry of Statistics and Programme Implementation. The Reserve Bank of India, while it analyzes this data for monetary policy, is not the agency mandated to produce it. Other organizations like the NSSO and state-level agencies correctly handle sample surveys and regional data management.

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58. (D) II only
The secondary sector includes manufacturing, electricity generation, and construction. The claim that construction is strictly excluded and classified under services is incorrect, as it is a core component of industrial activity. Tamil Nadu's strong industrial policies have indeed fostered a robust secondary sector, which includes a wide range of manufacturing and construction activities that contribute significantly to the state's Gross Domestic Product.

59. (A) GVA at basic prices includes product subsidies and thoroughly excludes all product taxes.
This statement is incorrect because Gross Value Added at basic prices actually excludes product taxes and includes product subsidies. GVA is

over purely material measures. Therefore, rapid heavy industrialization and aggressive urbanization are not included as they often conflict with the principles of sustainability and cultural preservation that the index emphasizes.

26. (C) 6 to 8 percent
After the economic reforms of 1991, India experienced a significant acceleration in its growth trajectory. The average annual GDP growth rate shifted from the low "Hindu rate" to a much higher range of approximately 6 to 8 percent. This period was marked by liberalisation, increased foreign investment, and the rapid expansion of the service and manufacturing sectors, which transformed the national economy.

27. (B) 2, 4, 3, 1
The chronological sequence of these plans reflects India's evolving economic strategies and investment efficiencies over several decades. The First Plan focused on agriculture, followed by the Fourth Plan during the late 1960s. The Eighth Plan began the post-liberalisation era in the early 1990s, while the Eleventh Plan focused on inclusive growth in the 2000s. Each period witnessed distinct changes in capital output ratios.

28. (C) I, II and III
India's gross domestic savings are primarily driven by the household sector, which contributes more than the corporate or public sectors. Household savings include both financial assets, like bank deposits, and physical assets, such as real estate and gold. While public sector savings are significant, they have historically lagged behind the substantial contributions of households, which remain the backbone of the nation's total savings.

29. (D) Knowledge-based activities involving IT, research, education, and information services
The quaternary sector is a specialized branch of the service economy that focuses on knowledge-based activities. It involves the creation, dissemination, and application of information through research, development, information technology, and high-level education. Unlike primary or secondary sectors that deal with physical goods, the quaternary sector relies on intellectual capital and innovation, playing a crucial role in modern, technology-driven economic growth and development.

30. (C) Financial savings - Bank deposits, shares, and provident funds
Financial savings refer to the portion of household income held in the form of monetary assets that can be channeled into the productive economy. Examples include bank deposits, shares, mutual funds, and provident funds. These differ from physical savings, which involve tangible assets like gold or real estate. Correctly identifying these categories is essential for understanding how capital is mobilized for national investment.

31. (B) Formulation of monetary policy and setting repo rates
The Central Statistics Office was primarily responsible for coordinating statistical activities and compiling national accounts, including GDP and the Index of Industrial Production. It also conducted the Annual Survey of Industries. However, formulating monetary policy and setting interest rates like the repo rate are functions constitutionally and legally reserved for the Reserve Bank of India, not a statistical compilation agency like the CSO.

32. (A) P-III, Q-I, R-IV, S-II
Each factor of production earns a specific type of income based on its contribution to the production process. Land earns rent, while labor is compensated with wages. Capital investments generate interest as a return, and entrepreneurship is rewarded with profit for taking risks and organizing resources. Mapping these factor incomes is a fundamental step in calculating national income using the income approach methodology.

33. (C) A is true but R is false.
Tamil Nadu possesses a well-balanced economy with a significant contribution from its secondary sector, making it one of India's most industrialized states. However, the reasoning provided is incorrect because the traditional Lewis model of structural transformation assumes that surplus labor from the agricultural sector is primarily absorbed by the industrial or manufacturing sector, not directly by the tertiary or service sector as stated.

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and transport, as well as construction, suffered the most significant economic disruptions.

68. (D) Level of carbon emissions per capita.
The Human Development Index is a composite measure used to rank countries by level of human development. It is calculated using three main indicators: life expectancy at birth, education (measured by mean and expected years of schooling), and standard of living (Gross National Income per capita). While environmental sustainability is important, the level of carbon emissions per capita is not currently a component used to calculate the official HDI.

69. (C) P-IV, Q-II, R-I, S-III
Household financial savings include monetary assets like provident funds and life insurance. Public savings are derived from government revenue surpluses and profits from public sector undertakings. Corporate savings consist of the retained earnings that private firms reinvest. Physical savings refer to investments in tangible assets, such as residential housing. Correctly categorizing these components is essential for analyzing the sources of capital in a national economy.

70. (D) A is false but R is true.
Base year revisions are indeed necessary to capture structural changes in the economy. However, the assertion is false because the back series data released by the CSO for the pre-2011 period actually adjusted historical GDP growth rates downward for the previous decade, rather than increasing them. This recalculation used newer methodologies and data sources to ensure consistency across different time periods in India's national accounts.

71. (D) Failure to absorb a large pool of low-skilled surplus labor from rural areas.
Skipping the intensive manufacturing phase can lead to significant labor market challenges. Manufacturing typically provides large-scale employment for low-skilled workers transitioning out of agriculture. If an economy moves directly to a service-led model, which often requires higher educational qualifications, it may fail to provide enough jobs for the surplus rural labor force. This can lead to persistent unemployment and slow poverty reduction despite high overall GDP growth.

72. (A) I, II, III and IV
The history of measuring India's national income involves several pioneers. Dadabhai Naoroji made the first attempt, while V.K.R.V. Rao provided the first scientific estimate. Simon Kuznets developed the modern GDP concept, and P.C. Mahalanobis chaired the first National Income Committee in 1949. While the expenditure method is used, it is not the only legal method; the NSO also utilizes production and income approaches.

73. (B) To account for structural changes, include new products, and reflect current prices.
The primary reason for periodically revising the base year is to ensure that national accounts accurately reflect the current state of the economy. Over time, new industries emerge, consumer preferences change, and price structures shift. By updating the base year, statisticians can include new products and services, adjust for structural changes, and use more recent price data, making GDP estimates more relevant for contemporary policy analysis.

74. (B) Primary Sector → Tertiary Sector
India's economic evolution has been unique because it transitioned directly from the dominance of the primary sector to the dominance of the tertiary sector. In the 1950s, agriculture was the largest contributor to GDP. However, starting in the 1980s and accelerating in the 1990s, the service sector grew rapidly to become the primary driver of the economy, largely bypassing the manufacturing-intensive secondary sector phase.

75. (A) National Income = GDP at market prices + Depreciation.
This equation is incorrect because National Income, or Net National Product at factor cost, is calculated by subtracting depreciation from Gross National Product, not by adding it to GDP. Depreciation represents the consumption of fixed capital, which must be removed to find the net value. The other equations correctly describe the relationships between GVA, product taxes, subsidies, and the different measures of domestic and national output.

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especially in providing stable employment for low-skilled laborers who transition from agriculture.

9. (A) I and III
India's transformation is unique because it did not strictly follow the Lewis model; instead, the service sector grew rapidly before manufacturing fully absorbed agricultural labor. In Tamil Nadu, the primary sector is not the largest contributor to the economy, as the state has a robust industrial and service base. Therefore, the claims regarding strict labor absorption and dominance are incorrect.

10. (C) 3, 1, 4, 2
The traditional development path begins with the primary sector as the dominant economic force. As a nation industrializes, the secondary sector takes precedence, followed by the growth of the tertiary sector providing various services. Finally, advanced economies see the rise of the quaternary sector, which focuses on knowledge-based activities and information technology. This sequence reflects the natural evolution of economic complexity.

11. (A) Nominal GDP uses current prices, while Real GDP is inflation-adjusted using constant prices
Nominal GDP reflects the market value of goods and services produced in an economy using current market prices, which can be distorted by inflation. Real GDP adjusts these values by using constant prices from a specific base year. This adjustment allows for a more accurate comparison of actual physical output and economic growth over time by removing the impact of price fluctuations.

12. (A) Both A and R are true and R is the correct explanation of A.
The GDP deflator is a comprehensive measure of inflation because it includes the prices of all domestically produced final goods and services. In contrast, the Consumer Price Index tracks a specific basket of goods and services consumed by households. Therefore, the deflator captures broader price changes across the entire economy, including those affecting investment goods and government spending, not just consumer items.

13. (D) Construction of a new bridge across the Cauchy river
Gross Fixed Capital Formation refers to the net increase in physical assets within an economy during a specific period. It includes investments in infrastructure such as roads, bridges, and industrial machinery that enhance productive capacity. Building a new bridge is a prime example because it adds a long-lasting physical asset to the state's stock, unlike administrative expenses, subsidies, or pension payments.

14. (B) I, II and IV
The base year for India's National Accounts is currently 2011-12, and revisions are necessary to reflect the modern economic structure. While the tertiary sector remains central to these calculations, the back series data controversy involved linking older data with new methodologies. Revisions are primarily managed by the National Statistical Office rather than being solely under the control of the Ministry of Finance.

15. (B) It measures the total market value of final goods and services produced within domestic boundaries.
While GDP is criticized for ignoring environmental damage, wealth distribution, and unpaid labor, its core definition as a measure of final goods and services is its primary purpose. This measurement function is the standard use of the metric and is the least relevant reason for calling it imperfect. The other factors highlight qualitative gaps that GDP was never intended to address.

16. (A) P-III, Q-IV, R-II, S-I
Gross Domestic Product measures total output within a country's borders, while Gross National Product adds net factor income from abroad. Net National Product is derived by subtracting depreciation from GNP, reflecting the actual wear and tear of capital. Net National Product at factor cost is the measure traditionally considered as the true National Income of a country in economic accounts.

17. (A) It adjusts GDP for environmental degradation and natural capital depletion for sustainability
Green GDP provides a more sustainable measure of economic progress by subtracting the costs

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84. (D) Higher than the national average, reflecting better economic development and industrialization.
Historically, Tamil Nadu has maintained a per capita income that is significantly higher than the Indian national average. This higher income level reflects the state's advanced stage of industrialization, a strong service sector, and better performance in social development indicators. The state's diversified economy, ranging from manufacturing to information technology, has enabled it to achieve consistently higher levels of wealth per person compared to many other regions in the country.

85. (B) Extractive economic industries like mining and forestry - Primary Sector.
The primary sector consists of activities that involve the direct extraction and harvesting of natural resources from the earth, such as mining, forestry, agriculture, and fishing. This classification is a fundamental concept in economic sectoral analysis. Other matches are incorrect because the Lewis model focuses on labor transfer, the quaternary sector requires high-skilled knowledge workers, and the secondary sector focuses on manufacturing rather than specialized banking and insurance services.

86. (D) 2, 3, 4, 1
The typical evolution of an economy begins with the primary sector, such as cotton farming. As it industrializes, the secondary sector emerges with activities like textile manufacturing. This is followed by tertiary sector services, such as the retail trading of finished garments. Finally, a knowledge-based quaternary sector develops, represented by software development. This sequence illustrates the transition from basic resource extraction to complex manufacturing and high-level intellectual services.

87. (D) Income earned by a local tea stall owner who manages and works in the stall.
Mixed income refers to the earnings of self-employed individuals where it is difficult to separate the returns to labor from the returns to capital and land. A tea stall owner who provides both the labor and the management for their own business is a classic example. This differs from fixed salaries, corporate dividends, or pure rental income, where the source of income is clearly categorized as either wages, profits, or rent.

88. (B) P-II, Q-IV, R-I, S-III
Depreciation is the loss in value of fixed assets due to wear and tear. Subsidies are financial aids given by the government to lower market prices. Net exports represent the difference between total exports and total imports. Remittances are transfers of money from individuals working abroad back to their home country. Understanding these definitions is essential for correctly interpreting national accounting data and the flow of funds in an economy.

89. (B) Both A and R are true but R is not the correct explanation of A.
Rapid industrialization often leads to environmental degradation if not managed sustainably. Paradoxically, traditional GDP can increase when disasters occur because the spending on cleanup activities is counted as economic output. While both statements are true, the way GDP accounts for cleanup costs is a technical limitation of the metric and does not directly explain why industrialization leads to pollution, which is caused by production processes and lack of regulation.

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90. (A) Lack of adequate technological advancement in deep space exploration programs.
The debate on India's manufacturing weakness focuses on factors like complex labor laws, infrastructure bottlenecks, and competition from imports. These issues directly affect industrial growth and employment. However, technological advancement in deep space exploration is a highly specialized field and is the least relevant factor for explaining broad trends in national manufacturing or deindustrialisation. The other reasons listed are core challenges that have historically hindered the expansion of the secondary sector.

91. (B) III, IV and V
The National Statistical Office compiles national accounts but is not responsible for the decennial population census, which is managed by the Registrar General. Additionally, the Wholesale Price Index is compiled by the Ministry of Commerce and Industry, and the NSO is under MoSPI, not the RBI. Statements regarding census

37. Consider the following statements regarding Apprenticeship in India:
I. The National Apprenticeship Promotion Scheme (NAPS) aims to promote apprenticeship training across sectors.
II. Under NAPS, the government shares the cost of the basic training with basic training providers.
III. Employers are entirely exempted from paying any stipend to the apprentices during the training period.
IV. Apprenticeship serves as an effective bridge between industrial requirements and labour market supply.
Which of the statements given above are correct?
(A) I, II and IV
(B) I and II
(C) II, III and IV
(D) I and IV
(E) Answer not known

38. Arrange the logical steps involved in calculating the Labour Force Participation Rate (LFPR):
I. Divide the total labour force by the total working-age population.
II. Identify the total number of employed persons and unemployed persons willing to work.
III. Multiply the resultant fraction by 100 to obtain the percentage.
(A) II, I, III
(B) I, II, III
(C) III, II, I
(D) II, III, I
(E) Answer not known

39. Which of the following is a major disadvantage associated with the dominance of informal employment in India?
(A) It provides excessive bargaining power to trade unions and labour groups.
(B) It leads to severe rigidities in the labour market that prevent new hiring.
(C) It causes an over-reliance on sophisticated artificial intelligence tools.
(D) Workers often lack social security, paid leave, and contract protection.
(E) Answer not known

40. Consider the following statements regarding the Startup India initiative:
I. It focuses on fostering entrepreneurship and promoting innovation.
II. Startups recognized by the DPIIT are eligible for certain tax benefits.
III. It inherently aims to generate large-scale formal employment opportunities.
IV. Only IT and software-based companies are eligible for recognition under this scheme.
V. It reduces the regulatory burden through self-certification of compliance under environmental and labour laws.
Which of the statements given above are correct?
(A) I, II, III and V
(B) I, II and III
(C) II, III, IV and V
(D) I, IV and V
(E) Answer not known

41. Which of the following pairs is correctly matched?
(A) Employers - Self-employed individuals who operate without any hired labor.
(B) Regular Salaried Employees - Workers with regular wages and formal contracts.
(C) Own Account Workers - Self-employed persons who hire workers regularly.
(D) Casual Wage Workers - Individuals managing large-scale industrial ventures.
(E) Answer not known

42. Match List-I with List-II regarding Skilling and Employment Schemes:
List I: (Schemes)
P. PMEGP
Q. NAPS
R. PMKVY
S. PMRPY
List II: (Objectives)
I. Industry-based apprenticeship training
II. Subsidy for micro-enterprise establishment
III. Employer contribution for EPF
IV. Short-term skill training and RPL
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-III, Q-I, R-IV, S-II
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

43. The Code on Industrial Relations, 2020 increases the threshold for requiring prior government

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99. (D) Smooth transition via a robust manufacturing base and strong IT services.
Tamil Nadu is often cited as a successful economic model because it achieved a more balanced structural transformation than many other states. It successfully developed a robust manufacturing base, particularly in automobiles and textiles, while simultaneously growing a strong information technology and service sector. This diversified economic structure has allowed for steady growth and better employment opportunities, providing a pathway for moving workers from agriculture into more productive industrial and high-level service jobs.

100. (B) Net product taxes (Product taxes minus Product subsidies) have increased during that period.
GDP at market prices is derived by adding net product taxes to Gross Value Added at basic prices. If GDP is growing faster than GVA, it logically implies that the amount collected from product taxes has increased or the amount spent on product subsidies has decreased. This shift results in a higher net tax component, which pushes the growth rate of market-price GDP above the growth rate of the actual value generated during production.

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responsibility, WPI compilation, and RBI control are therefore incorrect, as these functions belong to other specific government departments and agencies.

92. (D) It creates fewer jobs for low-skilled rural labor migrating to urban areas.
A major disadvantage of bypassing manufacturing for the service sector is the job-skill mismatch. The service sector, especially high-value branches like IT, requires advanced education and specialized skills. This makes it difficult to absorb the large numbers of low-skilled workers who are moving out of the agricultural sector. Unlike manufacturing, which can employ vast amounts of manual labor, a service-led economy may experience persistent unemployment and rising inequality among different labor groups.

93. (C) Wages + Rent + Interest + Profits + Mixed Income.
Under the income approach, GDP at factor cost is calculated by summing all the incomes earned by the factors of production within the country. This includes wages paid to labor, rent for land, interest on capital, and profits earned by entrepreneurs. It also includes the mixed income of self-employed individuals. This method provides a clear picture of how the total value generated in the economy is distributed among various stakeholders and resource owners.

94. (B) Post-1991: Economic reforms, liberalization, and growth acceleration.
India's economic history is marked by a clear shift after the 1991 crisis. This period introduced significant reforms, including liberalization, privatization, and globalization, which led to a noticeable acceleration in growth. In contrast, the years from 1950 to 1980 were characterized by slower growth, and the 2020-21 period saw a major contraction due to the pandemic. The post-1991 era remains the most transformative phase for the modern Indian economy and its development.

95. (D) Household savings consist purely of physical assets, excluding financial savings.
This statement is incorrect because household savings in India are actually composed of both physical assets and financial assets. Physical savings include investments in gold and real estate, while financial savings consist of bank deposits, stocks, mutual funds, and insurance. Financial savings are particularly important because they are mobilized through the banking system for industrial investment. The claim that household savings exclude financial components misrepresents how domestic capital is accumulated and utilized.

96. (A) Tertiary Sector
The gig economy, characterized by short-term contracts and platform-based work like food delivery and ride-sharing, is a modern extension of the tertiary sector. This sector focuses on providing diverse services to consumers and businesses. While these jobs often involve technology, they are primarily service-oriented activities that facilitate the distribution of goods and the mobility of people. As a result, they are categorized under services rather than manufacturing or primary resource extraction activities.

97. (C) Global integration leading to a surge in FDI and IT service exports.
The decade following the 1991 reforms was distinguished by India's rapid integration into the global economy. This era saw a significant increase in Foreign Direct Investment and the emergence of India as a global hub for information technology services. Unlike the state-led industrial models of previous decades, this growth was driven by market liberalisation and the expansion of the external sector, marking a definitive departure from the inward-looking policies that characterized the 1980s.

98. (A) The verifiable income generated by formal sector corporate entities.
GDP is designed to capture the total market value of all final goods and services produced in the formal economy. Therefore, the verifiable income generated by corporate entities is a central part of the calculation. While GDP fails to measure unpaid care work, the underground economy, and the value of leisure time, it successfully tracks the output and income of registered businesses, which are its primary subjects for data collection and national reporting.

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6. Arrange the following categories of loans provided under the Pradhan Mantri MUDRA Yojana in ascending order of their maximum loan limits:
I. Tarun
II. Shishu
III. Kishore
(A) II, III, I
(B) I, II, III
(C) III, II, I
(D) II, I, III
(E) Answer not known

7. Which of the following statements is correct regarding 'Own account workers' in India?
(A) Self-employed individuals who regularly hire workers for their daily operations.
(B) A specific category forming the smallest segment of the national informal workforce.
(C) Workers in the formal sector automatically covered by the 2020 Social Security Code.
(D) Self-employed individuals operating enterprises without regular hired help.
(E) Answer not known

8. Which of the following pairs is correctly matched?
(A) National Career Service - Online employment exchange for job matching
(B) PMKVY - Promotion of entrepreneurship through corporate tax benefits
(C) Mudra Yojana - Providing stipend for industrial apprenticeship
(D) PMRPY - Recognizing prior learning and certification for unskilled labor
(E) Answer not known

9. Which of the following statements is incorrect regarding the Labour Codes 2020?
(A) The new labour codes consolidate and replace 44 existing central labour laws and regulations.
(B) The Code on Social Security 2020 excludes gig and platform workers from its ambit.
(C) The Code on Wages 2019 seeks to ensure universal coverage of minimum wages for all employees.
(D) The Code on Industrial Relations 2020 streamlines trade union recognition and retrenchment rules.
(E) Answer not known

10. Consider the following statements regarding the measurement of employment in India:
I. Usual Principal Status (UPS) utilizes a reference period of 365 days.
II. Current Weekly Status (CWS) measures employment during the preceding 7 days.
III. Current Daily Status (CDS) is considered the least sensitive measure of short-term unemployment.
IV. Current Daily Status (CDS) is particularly useful for capturing part-time work and underemployment.
Which of the statements given above are correct?
(A) I, II and IV
(B) I and II
(C) II, III and IV
(D) I and IV
(E) Answer not known

11. Match List-I with List-II concerning workforce categories:
List I: (Workforce Categories)
P. Regular Salaried Employees
Q. Casual Wage Workers
R. Employers
S. Own Account Workers
List II: (Definitions)
I. Daily wage earners highly vulnerable to unemployment
II. Formal employment with steady income, primarily urban
III. Self-employed operating without hired workers
IV. Self-employed running enterprises with hired workers
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-IV, Q-III, R-II, S-I
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

12. Consider the following statements regarding the Demographic Dividend in India:
I. It refers to the economic growth potential resulting from a shift in a population's age structure.
II. It occurs when the share of the working-age population is larger than the dependent population.
III. India's demographic dividend window is a temporary phase that will eventually close.

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IV. Realising this dividend requires extensive skill development and robust job creation.
V. The phase is permanent and will continuously yield economic growth without any policy intervention.

Which of the statements given above are correct?
(A) I, II, III and IV
(B) I, II and V
(C) II, III, IV and V
(D) I, III and IV
(E) Answer not known

13. If an economy experiences a consistent increase in its Gross Domestic Product (GDP) over a decade, but the total number of employed individuals remains stagnant or declines, this phenomenon is best described as:
(A) Structural unemployment
(B) Demographic dividend
(C) Frictional underemployment
(D) Jobless growth
(E) Answer not known

14. Consider the following statements regarding employment trends in Tamil Nadu:
I. Tamil Nadu has one of the highest numbers of factories and industrial workers in India.
II. The Female Labour Force Participation Rate (LFPR) in Tamil Nadu is significantly lower than the national average.
III. The state has a high concentration of employment in export-oriented sectors like textiles and leather.

Which of the statements given above is/are correct?
(A) I and II
(B) I and III
(C) II and III
(D) I only
(E) Answer not known

15. The following question consists of two statements—an Assertion (A) and a Reason (R). Select the correct answer using the options given below:
Assertion (A): The Code on Wages, 2019 introduced the concept of a statutory National Floor Level Minimum Wage.
Reason (R): State governments have the authority to fix their minimum wages lower than the National Floor Level Minimum Wage.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

16. Which of the following represents the correct chronological sequence of the launch of these employment and skill-related initiatives?
I. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
II. Startup India
III. Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
IV. Consolidation of 44 labour laws into 4 Labour Codes
(A) I, III, II, IV
(B) I, II, III, IV
(C) II, I, III, IV
(D) III, II, I, IV
(E) Answer not known

17. Which of the following pairs concerning the gig economy is incorrectly matched?
(A) Freelancers - Workers engaged in traditional employer-employee relationships
(B) Platform workers - Work accessed through online software apps like Swiggy or Uber
(C) Code on Social Security 2020 - First legal framework to define gig workers in India
(D) Non-platform gig workers - Casual wage workers working part-time without apps
(E) Answer not known

18. The Worker Population Ratio (WPR) is defined as:
(A) The total number of unemployed persons divided by the labour force.
(B) The ratio of organized sector workers to unorganized sector workers.
(C) The number of persons employed per 1,000 persons in the population.
(D) The percentage of the working-age population actively seeking jobs.
(E) Answer not known

19. Match List-I with List-II regarding the Labour Codes 2020:
List I: (Labour Codes 2020)

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P. Code on Wages 2019
Q. Code on Industrial Relations 2020
R. Code on Social Security 2020
S. Code on Occupational Safety, Health and Working Conditions 2020

List II: (Key Provisions)

I. Provisions for trade unions and retrenchment
II. Inclusion of gig and platform workers
III. Regulation of working conditions and safety
IV. Universal coverage of minimum wage

(A) P-IV, Q-I, R-II, S-III
(B) P-I, Q-IV, R-III, S-II
(C) P-IV, Q-II, R-I, S-III
(D) P-II, Q-I, R-IV, S-III
(E) Answer not known

20. Consider the following statements regarding Informal Employment in India:

I. Informal workers typically have no written contract or social security benefits.
II. It constitutes more than 80% of the total workforce in India.
III. Informal employment is exclusively found in the unorganised sector and never in formal establishments.
IV. Vulnerability to shocks and sudden job loss is a key characteristic of informal employment.

Which of the statements given above are correct?
(A) I, II and IV
(B) I and II
(C) II, III and IV
(D) III and IV
(E) Answer not known

21. Which of the following activities is classified under 'Rural Non-Farm Employment'?
(A) Engaging in the sowing and harvesting of various seasonal food crops.
(B) Operating small-scale cottage industries like pottery or weaving.
(C) Providing manual agricultural wage labour during the off-season months.
(D) Leasing fertile agricultural land for traditional tenant farming practices.
(E) Answer not known

22. The following question consists of two statements—an Assertion (A) and a Reason (R). Select the correct answer using the options given below:

Assertion (A): Educated unemployment is a significant issue in urban India, often resulting in graduates working in jobs far below their qualification level.

Reason (R): There is a persistent mismatch between the skills imparted by the education system and the specific skills demanded by the modern labour market.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

23. Arrange the following measures of employment in descending order of their sensitivity in capturing short-term, part-time, and intermittent unemployment (from most sensitive to least sensitive):

I. Usual Principal Status (UPS)
II. Current Daily Status (CDS)
III. Current Weekly Status (CWS)

(A) II, III, I
(B) I, III, II
(C) III, II, I
(D) II, I, III
(E) Answer not known

24. Which of the following pairs is correctly matched?
(A) Sector Skill Councils - Industry-led bodies to create occupational standards
(B) Recognition of Prior Learning (RPL) - Providing primary education to child labourers
(C) Industrial Training Institutes (ITI) - Exclusively meant for agricultural farming techniques
(D) National Skill Development Corporation (NSDC) - A 100% government-owned entity
(E) Answer not known

25. Consider the following statements:

I. Seasonal unemployment occurs mainly because agriculture in India is heavily dependent on monsoons.
II. The Mahatma Gandhi National Rural

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CHAPTER 09

Employment, Unemployment and Labour Market in India

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1. Which of the following best defines the 'Labour Force' of a country?
(A) The portion of the population that is either working or actively seeking work.
(B) The total number of people currently employed in formal sectors.
(C) The total number of people who are in the working-age group of 15-59 years, regardless of their willingness to work.
(D) The percentage of the population employed in the organized sector.
(E) Answer not known

2. The Periodic Labour Force Survey (PLFS), which yields annual estimates of employment and unemployment in India, was launched to replace the employment-unemployment surveys conducted by which organization?
(A) The policy drafting wing of the NITI Aayog
(B) The Central Statistical Office (CSO) data unit
(C) National Sample Survey Office (NSSO)
(D) The Labour Bureau statistics department
(E) Answer not known

3. Consider the following statements regarding types of unemployment:
I. Disguised unemployment occurs when the marginal productivity of labour is zero.
II. Seasonal unemployment is predominantly a permanent structural feature of the IT sector.
III. Frictional unemployment is a temporary phase when a person is searching for a new job.
Which of the statements given above is/are correct?
(A) I and II
(B) I and III
(C) II and III
(D) I only
(E) Answer not known

4. Match List-I with List-II regarding unemployment:
List I: (Types of Unemployment)
P. Structural Unemployment
Q. Cyclical Unemployment
R. Frictional Unemployment
S. Disguised Unemployment
List II: (Characteristics)
I. Economic downturns and demand deficiency
II. Mismatch of skills and jobs due to technology changes
III. More workers than needed, mostly in the agricultural sector
IV. Between jobs, time spent in job search
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-IV, R-I, S-III
(D) P-III, Q-I, R-II, S-IV
(E) Answer not known

5. The following question consists of two statements—an Assertion (A) and a Reason (R). Select the correct answer using the options given below:
Assertion (A): India's Female Labour Force Participation Rate (LFPR) has traditionally been significantly lower than many emerging economies.
Reason (R): Social norms, the high burden of unpaid care work, and lack of safe transport contribute to the low female LFPR in India.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

(D) AI-based platform matching → Physical Employment Exchanges → National Career Service Portal
(E) Answer not known

31. Which of the following statements is incorrect regarding the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)?
(A) It aims to incentivize employers for generating new employment.
(B) Under this scheme, the Government pays the entire employee's share of the EPF contribution.
(C) It is targeted primarily at creating formal sector jobs.
(D) The scheme encourages establishments to register workers with the Employees' Provident Fund Organisation (EPFO).
(E) Answer not known

32. Which of the following pairs concerning types of unemployment and their remedies is incorrectly matched?
(A) Cyclical unemployment - Implementation of Keynesian demand-stimulus measures.
(B) Frictional unemployment - Improving job-search portals and employment exchanges.
(C) Structural unemployment - Rapid reskilling and vocational training programs.
(D) Disguised unemployment - Increasing automation and machinery in farming.
(E) Answer not known

33. Match List-I with List-II concerning export-oriented employment hubs in Tamil Nadu:
List I: (Hub Locations)
P. Tiruppur
Q. Ambur
R. Chennai
S. Sivakasi
List II: (Primary Industry)
I. Automobile and IT Hub
II. Knitwear and Garments
III. Leather and Footwear
IV. Printing and Matches
(A) P-II, Q-III, R-I, S-IV
(B) P-III, Q-II, R-IV, S-I
(C) P-I, Q-IV, R-II, S-III
(D) P-II, Q-I, R-III, S-IV
(E) Answer not known

34. Consider the following statements regarding youth unemployment in India:
I. Youth unemployment (typically 15-29 years) consistently records a higher rate than the overall national unemployment rate.
II. High youth unemployment poses a significant risk to realizing India's demographic dividend.
III. The PLFS data typically shows that rural youth face higher unemployment rates than urban youth.
Which of the statements given above is/are correct?
(A) I and II
(B) I and III
(C) II and III
(D) II only
(E) Answer not known

35. Which of the following is a primary feature of the Code on Occupational Safety, Health and Working Conditions, 2020?
(A) It standardizes safety and health norms for units with 10+ workers.
(B) It establishes a single statutory minimum wage across all Indian states.
(C) It mandates the provision of free higher education for children of workers.
(D) It deals exclusively with the legal registration and regulation of unions.
(E) Answer not known

36. The following question consists of two statements—an Assertion (A) and a Reason (R). Select the correct answer using the options given below:
Assertion (A): The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) acts as a crucial safety net for casual wage workers in rural India.
Reason (R): Casual wage workers often suffer from extreme vulnerability due to daily wage reliance and a lack of formal job security.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

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Employment Guarantee Act (MGNREGA) provides a safety net during the agricultural lean season.

III. Seasonal unemployment is a permanent structural feature of the IT manufacturing industry.

Which of the statements given above is/are correct?

(A) I and II
(B) I and III
(C) II and III
(D) I only
(E) Answer not known

26. Match List-I with List-II regarding unemployment concepts:

List I: (Unemployment Concepts)

P. Frictional unemployment
Q. Underemployment
R. Open unemployment
S. Cyclical unemployment

List II: (Characteristics)

I. A person has no work and is visibly looking for a job
II. A person is working below their actual capacity or part-time
III. The Keynesian remedy of boosting aggregate demand is required
IV. Temporary unemployment while searching for a new job

(A) P-IV, Q-II, R-I, S-III
(B) P-IV, Q-I, R-II, S-III
(C) P-II, Q-IV, R-I, S-III
(D) P-I, Q-II, R-III, S-IV
(E) Answer not known

27. Consider the following statements regarding Special Economic Zones (SEZs) in India:

I. They are designed primarily to boost export-oriented employment.
II. SEZs offer tax holidays and relaxed regulatory norms to attract investment.
III. A significant portion of the workforce in SEZs comprises female workers, particularly in garments and electronics.
IV. Labour laws applicable to SEZs are strictly more stringent than those in the rest of the country.
V. Tamil Nadu has established several SEZs to promote industrial employment.

Which of the statements given above are correct?

(A) I, II, III and V
(B) I, II and IV
(C) II, III, IV and V
(D) I, III and V
(E) Answer not known

28. In the context of the Indian economy, the term 'Labour Market Rigidity' primarily refers to:

(A) The reluctance of rural workers to migrate to urban areas for higher wages.
(B) Fixed minimum wage policies that adjust automatically to annual inflation.
(C) Strict legislative restrictions on hiring and firing workers in enterprises.
(D) Limitations on changing operational hours due to regional climate factors.
(E) Answer not known

29. The following question consists of two statements—an Assertion (A) and a Reason (R). Select the correct answer using the options given below:

Assertion (A): The absolute share of agriculture in India's total employment has been continuously increasing over the last two decades.

Reason (R): Rural non-farm employment opportunities have significantly diversified, drawing workers away from traditional agriculture.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

30. A job seeker goes through various mechanisms to secure employment. Which of the following sequences represents the traditional-to-modern transition of government employment facilitation in India?

(A) National Career Service Portal → Physical Employment Exchanges → Apprenticeship Portals
(B) Physical Employment Exchanges → National Career Service Portal → AI-based platform matching
(C) National Career Service Portal → Rozgar Melas → Physical Employment Exchanges

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permission for the retrenchment or closure of an establishment from 100 workers to:
(A) 200 workers
(B) 300 workers
(C) 500 workers
(D) 1000 workers
(E) Answer not known

44. The following question consists of two statements—an Assertion (A) and a Reason (R). Select the correct answer using the options given below:
Assertion (A): Structural unemployment cannot be solved simply by increasing the aggregate economic demand.
Reason (R): Structural unemployment is caused by a fundamental mismatch between the skills workers possess and the skills demanded by new technologies.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

45. If a researcher wants to analyze employment data starting from the most sensitive measure capturing part-time work to the least sensitive long-term measure, which sequence should they follow?
(A) Current Daily Status → Current Weekly Status → Usual Principal Status
(B) Usual Principal Status → Current Weekly Status → Current Daily Status
(C) Current Weekly Status → Usual Principal Status → Current Daily Status
(D) Current Daily Status → Usual Principal Status → Current Weekly Status
(E) Answer not known

46. Consider the following statements regarding the Gig economy:
I. Gig workers are characterized by short-term contracts or freelance work as opposed to permanent jobs.
II. The Code on Social Security, 2020 proposes the creation of a Social Security Fund specifically for gig and platform workers.
III. All gig workers are legally defined as 'employees', entitling them to fixed monthly salaries under the Minimum Wages Act.
Which of the statements given above is/are correct?
(A) I and II
(B) I and III
(C) II and III
(D) I only
(E) Answer not known

47. Which of the following interventions is the most critical for India to fully realize its demographic dividend?
(A) Raising the mandatory retirement age for formal sector employees to 70.
(B) Large investments in education, health, and youth skill development.
(C) Promoting mass emigration of unskilled workers to various developed nations.
(D) Shifting the entire national workforce into the primary agricultural sector.
(E) Answer not known

48. The following question consists of two statements—an Assertion (A) and a Reason (R). Select the correct answer using the options given below:
Assertion (A): Disguised unemployment is widely prevalent in India's industrial manufacturing sector.
Reason (R): The marginal productivity of labour is zero when there is disguised unemployment.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

49. Consider the following statements regarding Minimum Wages in India:
I. A minimum wage must ensure the bare sustenance of life and preservation of the efficiency of the worker.
II. The concept of a National Floor Wage aims to prevent a "race to the bottom" among competing states.
III. States are free to set their minimum wages, but they cannot fall below the National Floor Wage.

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(E) Answer not known

92. A key feature of Special Economic Zones (SEZs) designed to boost employment is:
(A) They strictly prohibit the employment of women in all factory units.
(B) They are legally barred from exporting any manufactured goods abroad.
(C) They operate outside standard customs territory for trade and duties.
(D) They mandate a minimum wage that is triple the national floor rate.
(E) Answer not known

93. Which of the following statements is incorrect regarding the Pradhan Mantri MUDRA Yojana?
(A) It provides collateral-free loans to micro and small enterprises.
(B) The 'Shishu' category covers loans up to ₹50,000.
(C) The 'Tarun' category covers loans between ₹5 lakh and ₹10 lakh.
(D) It provides direct cash grants that do not need to be repaid.
(E) Answer not known

94. What is a major advantage of promoting rural non-farm employment in India?
(A) It increases the physical pressure on arable agricultural land areas.
(B) It ensures the total automation of all regional agricultural practices.
(C) It arrests rural-to-urban distress migration via local livelihoods.
(D) It completely removes the need for the national MGNREGA scheme.
(E) Answer not known

95. An independent delivery partner for a food aggregator app meets with an accident while delivering an order. Under which recent legislation has a framework been introduced to provide social security to such platform workers?
(A) Code on Wages, 2019
(B) Code on Social Security, 2020
(C) Industrial Disputes Act, 1947
(D) Factories Act, 1948
(E) Answer not known

96. In the context of Indian demographic data and PLFS reports, 'Youth Unemployment' generally refers to the unemployment rate among individuals in the age group of:
(A) 10 to 14 years
(B) 15 to 29 years
(C) 30 to 45 years
(D) 45 to 59 years
(E) Answer not known

97. In the categorization of self-employment, individuals who run an enterprise and continuously hire one or more workers on a wage or salary basis are classified as:
(A) Employers
(B) Own account workers
(C) Unpaid family helpers
(D) Casual labourers
(E) Answer not known

98. Which of the following statements correctly highlights Tamil Nadu's position in the Indian employment landscape?
(A) Tamil Nadu has the lowest female LFPR compared to other southern states.
(B) Industrial employment is strictly limited to the agricultural sector.
(C) Tiruppur is a global export hub for knitwear with a large workforce.
(D) The state has abolished the use of minimum wages for factory employees.
(E) Answer not known

99. Which of the following is correct regarding the methodology of the Periodic Labour Force Survey (PLFS)?
(A) It provides estimates in 'Usual Status' and 'Current Weekly Status'.
(B) It only surveys urban populations to measure educated unemployment.
(C) It relies on voluntary data provided exclusively by private firms.
(D) It is conducted every ten years in conjunction with the Census.
(E) Answer not known

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100. Why is continuous and robust employment generation considered the most vital component of India's macroeconomic policy?
(A) It is required to suppress the growth of digital entrepreneurship.
(B) It ensures the total elimination of the national unorganized sector.

(C) Worker Population Ratio - Share of employed persons in the total population.
(D) LFPR - Percentage of the working-age population not seeking work.
(E) Answer not known

56. Consider the following statements regarding the Code on Social Security 2020:
I. It consolidates previous laws relating to EPF, ESIC, maternity benefits, and gratuity.
II. It brings unorganised sector workers within the ambit of structured social security schemes.
III. It mandates the central government to formulate social security schemes for gig and platform workers.
IV. It requires platform aggregators like Ola and Uber to contribute to a dedicated social security fund.
V. It completely exempts all informal establishments from adhering to basic safety and health regulations.
Which of the statements given above are correct?
(A) I, II, III and IV
(B) I, II and V
(C) II, III, IV and V
(D) I, III and IV
(E) Answer not known

57. Match List-I with List-II regarding industrial employment hubs in Tamil Nadu:
List I: (Hub Locations)
P. Karur
Q. Hosur
R. Coimbatore
S. Thoothukudi
List II: (Primary Industries)
I. Textiles and Home Furnishings
II. Engineering and Auto Components
III. Port-based industries and Chemicals
IV. Pumps, Motors and Textile Machinery
(A) P-I, Q-II, R-IV, S-III
(B) P-II, Q-I, R-III, S-IV
(C) P-IV, Q-III, R-I, S-II
(D) P-I, Q-IV, R-II, S-III
(E) Answer not known

58. Which of the following represents the logical sequence of constraints that lead to low Female Labour Force Participation in India?
(A) High burden of unpaid care work → Lack of flexible formal jobs → Dropping out of the labour force
(B) Dropping out of the labour force → High burden of unpaid care work → Lack of flexible formal jobs
(C) Lack of flexible formal jobs → Dropping out of the labour force → High burden of unpaid care work
(D) High burden of unpaid care work → Dropping out of the labour force → Lack of flexible formal jobs
(E) Answer not known

59. Industrial Training Institutes (ITIs) in India primarily focus on providing:
(A) Technical and non-technical vocational training.
(B) Advanced degrees in engineering and technology.
(C) Direct seed funding for high-tech digital startups.
(D) Direct unemployment allowances for the rural poor.
(E) Answer not known

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60. The following question consists of two statements—an Assertion (A) and a Reason (R). Select the correct answer using the options given below:
Assertion (A): Labour market rigidity is often cited by economists as a deterrent to the robust growth of formal manufacturing employment in India.
Reason (R): Restrictive labour laws make it difficult for employers to adjust their workforce size according to market demand, leading to a preference for informal contract labour.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

61. Consider the following statements regarding the significance of employment generation:
I. It is a critical driver for achieving inclusive economic growth.
II. It directly aids in poverty alleviation and improves overall living standards.

III. It enhances social stability by reducing youth disillusionment.
IV. It ensures the optimal utilization of the demographic dividend.
V. It inevitably leads to hyperinflation and severe economic depression.

Which of the statements given above are correct?
(A) I, II, III and IV
(B) I, II and V
(C) II, III, IV and V
(D) I, III and IV
(E) Answer not known

62. Which of the following scenarios best illustrates 'Underemployment'?
(A) An agricultural worker unable to find employment during monsoon periods.
(B) A software developer actively seeking a new role following a mass layoff.
(C) A skilled engineer working part-time in delivery due to job scarcity.
(D) A factory worker permanently replaced by an automated robotic assembly.
(E) Answer not known

63. Which of the following pairs is correctly matched?
(A) Disguised unemployment - Productivity of an additional worker is substantially high
(B) MGNREGA - Guaranteed 100 days of wage employment in a financial year
(C) Lean season - Peak agricultural harvesting period characterized by labor shortages
(D) Cottage industries - Large-scale, capital-intensive manufacturing plants
(E) Answer not known

64. Formal employment is primarily characterized by:
(A) Daily wage labour arrangements that operate without fixed working hours.
(B) Complete exemption from all existing state and central taxation schemes.
(C) Total exclusion of female workers from the enterprise's daily workforce.
(D) Jobs with written contracts, paid leaves, and social security benefits.
(E) Answer not known

65. Arrange the following employment categories in India in generally descending order of their share in the total workforce (from largest to smallest):
I. Self-employed (including own account workers and agriculture)
II. Casual wage workers
III. Regular salaried employees
(A) I, II, III
(B) I, III, II
(C) II, I, III
(D) III, II, I
(E) Answer not known

66. A distinctive feature of the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the 'Recognition of Prior Learning' (RPL). What is its primary purpose?
(A) To provide free primary schooling for school dropouts.
(B) To mandate companies to hire only candidates with prior formal work experience.
(C) To assess and certify individuals who have acquired skills informally.
(D) To financially penalize uncertified workers in the informal sector.
(E) Answer not known

67. Match List-I with List-II regarding government initiatives:
List I: (Initiatives)
P. Startup India
Q. Stand-Up India
R. Make in India
S. Skill India
List II: (Core Objectives)
I. Boosting domestic manufacturing
II. Providing vocational training and certification
III. Tax exemptions and simplified compliance for new ventures
IV. Bank loans specifically for SC/ST and women entrepreneurs
(A) P-III, Q-IV, R-I, S-II
(B) P-IV, Q-III, R-II, S-I
(C) P-I, Q-II, R-III, S-IV
(D) P-II, Q-I, R-IV, S-III
(E) Answer not known

68. Which among the following would be classified under the 'Unorganised Sector' in India?
(A) A multinational IT corporation

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headquartered in Chennai.
(B) A public sector bank operating in rural areas.
(C) A registered pharmaceutical manufacturing plant employing 500 formal workers.
(D) A street vendor selling vegetables in a local municipal market.
(E) Answer not known

69. Which of the following pairs is incorrectly matched regarding the Labour Codes 2020?
(A) Code on Wages - Equal remuneration for men and women
(B) Code on Industrial Relations - Abolition of all trade unions
(C) Code on Social Security - Provision of benefits for Gig Workers
(D) Code on Occupational Safety - Standardized working hours and leave policies
(E) Answer not known

70. The following question consists of two statements—an Assertion (A) and a Reason (R). Select the correct answer using the options given below:
Assertion (A): The phenomenon of 'Jobless Growth' has been a subject of intense debate in the Indian context during periods of high GDP growth.
Reason (R): High GDP growth in India has predominantly been driven by capital-intensive and productivity-led sectors like IT and services, which do not absorb the vast surplus unskilled labour force.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

71. Which sequence accurately reflects the general process for a job seeker utilizing the National Career Service (NCS) portal?
(A) Registration on portal → Skill assessment and career counseling → Applying for matched jobs
(B) Applying for matched jobs → Skill assessment → Registration on portal
(C) Direct placement → Registration on portal → Skill assessment
(D) Skill assessment → Applying for jobs → Registration on portal
(E) Answer not known

72. In the context of factory employment in India, Tamil Nadu stands out significantly for which of the following reasons?
(A) It employs the highest proportion of women in its factory workforce.
(B) It has the lowest total number of formal factory workers in the country.
(C) It prohibits female employment within the statewide garment industry.
(D) It has successfully removed all Special Economic Zones from its region.
(E) Answer not known

73. Match List-I with List-II concerning wage concepts:
List I: (Concepts)
P. Minimum Wage
Q. Living Wage
R. Fair Wage
S. National Floor Wage
List II: (Definitions)
I. A wage sufficient for bare sustenance and basic efficiency
II. A baseline wage below which state governments cannot fix minimum wages
III. A wage that provides for education, health, and a decent standard of living
IV. A wage set logically between the minimum wage and the living wage
(A) P-I, Q-III, R-IV, S-II
(B) P-III, Q-I, R-II, S-IV
(C) P-I, Q-IV, R-III, S-II
(D) P-II, Q-III, R-IV, S-I
(E) Answer not known

74. If a country experiencing a demographic dividend fails to impart adequate skills and generate sufficient employment, what is the most likely long-term socio-economic outcome?
(A) Rapid achievement of developed nation status for the whole population.
(B) Demographic disaster with high youth unemployment and social unrest.
(C) Automatic transition into a fully formalized national economy system.
(D) Total elimination of the informal sector

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IV. The Code on Wages, 2019 removes the gender-equal remuneration provision entirely.

Which of the statements given above are correct?
(A) I, II and III
(B) I and II
(C) II, III and IV
(D) I and IV
(E) Answer not known

50. Match List-I with List-II regarding unemployment scenarios:

List I: (Types of Unemployment)
P. Open Unemployment
Q. Educated Unemployment
R. Seasonal Unemployment
S. Disguised Unemployment

List II: (Illustrative Scenarios)
I. Surplus labour working on a small family farm
II. Agricultural labourers unemployed during non-harvest months
III. Engineering graduates unable to find suitable employment
IV. Readily visible job seekers with no work at all

(A) P-IV, Q-III, R-II, S-I
(B) P-I, Q-II, R-III, S-IV
(C) P-III, Q-I, R-IV, S-II
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

51. Consider the following statements comparing urban and rural employment in India:
I. The proportion of regular salaried employees is significantly higher in urban areas than in rural areas.
II. Self-employment constitutes the major share of total employment in rural India.
III. Urban unemployment rates are generally lower than rural unemployment rates according to recent PLFS data.
IV. Educated unemployment is more pronounced in urban labour markets.

Which of the statements given above are correct?
(A) I, II and IV
(B) I and II
(C) II, III and IV
(D) III and IV
(E) Answer not known

52. Arrange the following milestones in Indian Labour Law reform in the correct chronological sequence:
I. Passage of the Code on Wages
II. Enactment of the Industrial Disputes Act
III. Passage of the Code on Social Security
(A) II, I, III
(B) I, II, III
(C) II, III, I
(D) III, II, I
(E) Answer not known

53. An IT professional in Chennai resigns from their current job to search for a better-paying position in another multinational company. During the three months they spend searching and interviewing, what type of unemployment do they experience?
(A) Structural unemployment
(B) Frictional unemployment
(C) Cyclical unemployment
(D) Disguised unemployment
(E) Answer not known

54. The following question consists of two statements—an Assertion (A) and a Reason (R). Select the correct answer using the options given below:

Assertion (A): The relevance and placement rates of physical Employment Exchanges in India have drastically declined over the years.

Reason (R): The advent of private job portals, campus placements, and the launch of the digital National Career Service (NCS) portal have provided more efficient job-matching alternatives.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

55. Which of the following pairs concerning the Periodic Labour Force Survey (PLFS) metrics is incorrectly matched?
(A) Usual Principal Status - Primary activity over a 365-day reference period.
(B) Current Weekly Status - Employment status over a seven-day reference period.

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83. An employee working in a registered manufacturing company with 250 employees, receiving a monthly salary, EPF contributions, and health insurance, belongs to the:
(A) Formal sector
(B) Informal sector
(C) Unorganized sector
(D) Own account enterprise
(E) Answer not known

84. Which of the following statements is incorrect regarding employment trends in the Indian agricultural sector?
(A) Agriculture remains the largest employer in the modern Indian economy.
(B) Disguised unemployment is heavily concentrated in the agricultural sector.
(C) A gradual shift of workers from agriculture to non-farm jobs is occurring.
(D) Agricultural employment numbers increase every year without fail.
(E) Answer not known

85. Which of the following uniquely characterizes 'Own Account Workers' in India?
(A) They hire hundreds of casual labourers as large-scale employers.
(B) They operate enterprises without hiring continuous labour.
(C) They are government employees working on regular monthly payrolls.
(D) They represent the smallest and wealthiest part of the labour force.
(E) Answer not known

86. The "window of opportunity" provided by the demographic dividend is finite. For India, this demographic advantage is generally projected by experts to peak and begin tapering off around which timeframe?
(A) 2000-2010
(B) 2040-2050
(C) 2080-2090
(D) 2100-2110
(E) Answer not known

87. The consolidation of 44 complex central labour laws into 4 distinct Labour Codes is primarily inferred as an attempt to:
(A) Increase the complexity of compliance for small-scale businesses.
(B) Remove all social security protections for the national workforce.
(C) Nationalize all private industries under central government control.
(D) Balance ease of doing business with basic worker protections.
(E) Answer not known

88. Which term is used by economists to describe the brief period of unemployment experienced by workers while transitioning from one job to another?
(A) Frictional unemployment
(B) Structural unemployment
(C) Disguised unemployment
(D) Seasonal unemployment
(E) Answer not known

89. A family farm requires exactly 3 members to cultivate a plot of land optimally. However, 5 members of the family are working on the same plot, and the total output remains unchanged. What economic concept does this scenario depict?
(A) High marginal productivity
(B) Disguised unemployment
(C) Frictional unemployment
(D) Economies of scale
(E) Answer not known

90. The National Skill Development Corporation (NSDC) was set up by the Ministry of Finance as a:
(A) Fully government-owned statutory body
(B) Public Private Partnership (PPP) model
(C) Non-Governmental Organization (NGO) reliant on international charity
(D) Subsidiary of the Reserve Bank of India
(E) Answer not known

91. Which of the following accurately describes 'Casual Wage Workers' in the Indian labour market?
(A) Day-to-day workers who are highly vulnerable to income shocks.
(B) Workers who receive steady salaries regardless of their attendance.
(C) Professionals concentrated in the highly organized IT services sector.
(D) Individuals who own and operate their own small-scale enterprises.

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ANSWERS

1. (A) The portion of the population that is either working or actively seeking work.
The labour force consists of individuals who are economically active during a specific reference period. It encompasses people who are currently employed as well as those who are unemployed but actively looking for a job. This metric excludes people who are neither working nor seeking work, such as students, retirees, or full-time homemakers.

2. (C) National Sample Survey Office (NSSO)
The Periodic Labour Force Survey was introduced by the National Statistical Office to provide more frequent data on employment and unemployment. Before its launch in 2017, such data were collected through quinquennial surveys conducted by the National Sample Survey Office. The shift allows for annual estimates in rural areas and quarterly estimates in urban regions.

3. (B) I and III
Disguised unemployment occurs when more people are working than required, making their marginal productivity zero. This is common in agriculture. Frictional unemployment is a temporary state where individuals are between jobs while seeking better opportunities. Seasonal unemployment, however, occurs when workers are jobless during specific times of the year, usually due to climatic patterns in agriculture.

4. (A) P-II, Q-I, R-IV, S-III
Structural unemployment arises from a mismatch between worker skills and industrial requirements. Cyclical unemployment results from fluctuations in the business cycle and demand deficiency. Frictional unemployment occurs during the transition between jobs as workers search for new roles. Disguised unemployment is found where surplus labor exists, often in farming, and extra workers do not increase the total production output.

5. (A) Both A and R are true and R is the correct explanation of A.
India has historically observed a low female labour force participation rate compared to other developing nations. This trend is driven by various socio-economic factors. Heavy involvement in unpaid domestic responsibilities and caregiving often limits women's availability for formal employment. Furthermore, issues regarding workplace safety and the lack of reliable public transportation further discourage women from entering the workforce.

6. (A) II, III, I
The Pradhan Mantri MUDRA Yojana categorizes loans based on the stage of growth of the beneficiary enterprise. Shishu covers loans up to fifty thousand rupees for startups. Kishore provides loans ranging from fifty thousand to five lakh rupees for established businesses. Tarun is the highest category, offering loans from five lakh up to ten lakh rupees.

7. (D) Self-employed individuals operating enterprises without regular hired help.
Own account workers represent a significant segment of the self-employed workforce in India. These individuals run their own small-scale enterprises or trades, such as small shops or artisanal crafts. Unlike employers, they manage their daily business operations independently or with the help of unpaid family members, but they do not hire any outside workers on a regular basis.

8. (A) National Career Service - Online employment exchange for job matching
The National Career Service is a digital platform established to modernize employment exchanges and bridge the gap between job seekers and employers. It provides various services, including job matching, career counseling, and vocational guidance. Other schemes like the Pradhan Mantri Kaushal Vikas Yojana focus on skill development, while the MUDRA scheme provides microfinance to small and micro enterprises.

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(C) It allows for the complete withdrawal of all social welfare schemes.
(D) It distributes growth, reduces poverty, and leverages demographics.
(E) Answer not known

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throughout the entire country.
(E) Answer not known

75. Which of the following pairs is correctly matched?
(A) Structural unemployment - Mismatch between worker skills and market demand.
(B) Educated unemployment - Predominantly a rural agricultural phenomenon.
(C) Frictional unemployment - Caused by periodic seasonal climatic shifts.
(D) Disguised unemployment - Results from severe recessions in the IT industry.
(E) Answer not known

76. All of the following are significant causes for the low Female Labour Force Participation Rate (LFPR) in India, EXCEPT:
(A) Disproportionate burden of unpaid domestic and caregiving work.
(B) Safety concerns and lack of adequate public transportation infrastructure.
(C) The universal statutory ban on women working in the service sector.
(D) Social norms and patriarchal attitudes restricting women's mobility.
(E) Answer not known

77. How does the 'Workforce' strictly differ from the 'Labour Force' in economic terminology?
(A) Workforce is for the organized sector, while labour force includes all sectors.
(B) Workforce consists exclusively of casual wage workers in the informal economy.
(C) There is no economic distinction as both terms represent the same population.
(D) Workforce is the employed population; labour force includes those seeking work.
(E) Answer not known

78. Which of the following pairs is incorrectly matched?
(A) PMKVY - Skill certification scheme
(B) Mudra Yojana - Microfinance to non-corporate, non-farm small/micro enterprises
(C) PMEGP - Providing old-age pensions to unorganized workers
(D) NAPS - Promotion of apprenticeship
(E) Answer not known

79. During an economic recession, a government decides to massively increase public expenditure on infrastructure projects like highways and railways to boost demand and create jobs. This policy intervention is primarily targeted at addressing which type of unemployment?
(A) Frictional unemployment
(B) Cyclical unemployment
(C) Seasonal unemployment
(D) Disguised unemployment
(E) Answer not known

80. Before the introduction of the Periodic Labour Force Survey (PLFS), the National Sample Survey Office (NSSO) typically conducted its comprehensive employment and unemployment surveys once in every:
(A) 2 years
(B) 5 years
(C) 10 years
(D) 15 years
(E) Answer not known

81. Which of the following statements accurately describes the Current Weekly Status (CWS) measure of employment?
(A) Working at least 1 hour on any day during the reference week.
(B) Employment for a minimum of 200 days within a single calendar year.
(C) Daily average employment over a fixed reference period of one month.
(D) Measuring only formal sector jobs within a specific seven-day period.
(E) Answer not known

82. From a worker's perspective, what is a primary disadvantage of participating in the gig economy as a platform worker compared to regular salaried employment?
(A) Total inability to choose one's own flexible working hours.
(B) Mandatory requirement to work from a fixed corporate office.
(C) Lack of traditional social security and health benefits.
(D) Compulsory membership in registered national trade unions.
(E) Answer not known

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9. (B) The Code on Social Security 2020 excludes gig and platform workers from its ambit.
The four new labour codes aim to simplify and consolidate forty-four central labour laws. The Code on Social Security 2020 is landmark legislation because it specifically includes gig and platform workers. It proposes the creation of a social security fund for these categories. The other codes focus on industrial relations, wages, and occupational safety to improve ease of doing business.

10. (A) I, II and IV
Employment in India is measured through various reference periods. Usual Principal Status considers the major activity of a person over the last year. Current Weekly Status focuses on the activities performed during the preceding week. Current Daily Status tracks daily activity within the week and is the most sensitive measure for capturing part-time work, underemployment, and seasonal fluctuations.

11. (A) P-II, Q-I, R-IV, S-III
Regular salaried employees have stable jobs with formal contracts, while casual wage workers are hired daily and face high job insecurity. Employers are self-employed individuals who run enterprises using hired labour. Own account workers are also self-employed but operate their businesses without hiring any outside help. These categories help economists understand the structure and stability of the national workforce.

12. (A) I, II, III and IV
The demographic dividend refers to the accelerated economic growth that can occur when a population has a larger share of working-age individuals than dependents. This phase is temporary and depends on the age structure shifting. Realizing its benefits is not automatic. It requires strategic government interventions in education and health, alongside the creation of productive job opportunities for the youth.

13. (D) Jobless growth
Jobless growth is an economic situation where the Gross Domestic Product increases while employment levels remain constant or even decrease. This often happens when economic growth is driven by capital-intensive sectors or improvements in technology and productivity rather than labour-intensive industries. In such cases, the benefits of economic expansion do not translate into adequate job creation for the growing workforce.

14. (B) I and III
Tamil Nadu is a highly industrialized state with the highest number of factories and a large industrial workforce in India. Its economy is characterized by strong export-oriented hubs in sectors like textiles, leather, and automobiles. Contrary to the national trend, Tamil Nadu has historically maintained a relatively higher female labour force participation rate compared to several other major Indian states.

15. (C) A is true but R is false.
The Code on Wages, 2019 introduced the National Floor Level Minimum Wage to ensure a baseline income for all workers. This floor wage is set by the central government taking into account basic living standards. While state governments are responsible for fixing minimum wages within their jurisdictions, they are legally prohibited from setting rates lower than the established national floor.

16. (A) I, III, II, IV
The MGNREGA was enacted in 2005 to guarantee rural employment. The Pradhan Mantri Kaushal Vikas Yojana was launched in 2015 to promote skill development. Startup India followed in 2016 to foster entrepreneurship and innovation. Finally, the consolidation of central labour laws into four comprehensive Labour Codes was finalized in 2019 and 2020, representing the most recent major reform in labour policy.

17. (A) Freelancers - Workers engaged in traditional employer-employee relationships
Freelancers are independent workers who operate on a contract basis for multiple clients rather than being tied to a single employer through a traditional relationship. The gig economy also includes platform workers who find tasks via digital applications. The Code on Social Security 2020 provided the first legal definitions for these workers to ensure they eventually receive essential social benefits.

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35. (A) It standardizes safety and health norms for units with 10+ workers.
The Code on Occupational Safety, Health and Working Conditions, 2020, aims to consolidate various laws regulating the workplace environment. It sets unified safety and health standards for establishments, primarily those employing ten or more workers. The code also simplifies registration processes and introduces standardized rules regarding working hours, leaves, and welfare facilities to ensure a safe and productive environment for the national workforce.

36. (A) Both A and R are true and R is the correct explanation of A.
Casual wage workers in rural India face significant economic instability due to the seasonal nature of work and lack of formal contracts. The MGNREGA serves as a vital safety net by guaranteeing one hundred days of wage employment annually to rural households. This helps mitigate the risks of poverty and distress migration, providing financial security when private agricultural demand for labour is low.

37. (A) I, II and IV
Apprenticeship training is an effective method for bridging the gap between academic learning and industrial requirements. The National Apprenticeship Promotion Scheme encourages this by sharing the costs of training and stipends with employers. While the government provides financial support, employers are still responsible for paying a portion of the stipend to apprentices. This system helps youth gain practical skills while increasing their future employability.

38. (A) II, I, III
To calculate the Labour Force Participation Rate, one must first identify the total labour force, which includes both the employed and the unemployed who are seeking work. Next, this total is divided by the total working-age population. Finally, the resulting fraction is multiplied by one hundred to express the rate as a percentage of the population currently active in the economy.

39. (D) Workers often lack social security, paid leave, and contract protection.
The dominance of informal employment is a major challenge because these workers are excluded from standard labour protections. They typically do not have written contracts, making their jobs insecure. Furthermore, they lack access to essential benefits such as healthcare, provident funds, and paid leave. This leaves them highly vulnerable to illness, old age, or sudden job loss, hindering long-term social and economic security.

40. (A) I, II, III and V
The Startup India initiative aims to build a strong ecosystem for innovation and entrepreneurship. It provides tax benefits and simplifies regulatory compliance through self-certification for various labour and environmental laws. The scheme is open to diverse sectors, not just IT. By fostering new ventures, it seeks to drive sustainable economic growth and generate large-scale formal employment opportunities across the entire country.

41. (B) Regular Salaried Employees - Workers with regular wages and formal contracts.
Regular salaried employees are characterized by steady incomes and formal employment contracts. In contrast, employers are self-employed individuals who hire others to work in their enterprises. Own account workers also operate independently but do not hire any regular help. Casual wage workers are day laborers without job security. Understanding these distinctions is crucial for analyzing the distribution of labour and income across the economy.

42. (A) P-II, Q-I, R-IV, S-III
The Prime Minister's Employment Generation Programme provides subsidies for starting micro-enterprises. The National Apprenticeship Promotion Scheme facilitates industry-based training. The Pradhan Mantri Kaushal Vikas Yojana offers short-term skill training and certifies prior learning. The Pradhan Mantri Rojgar Protsahan Yojana incentivizes formal hiring by covering the employer's contribution to the provident fund. Together, these initiatives address various aspects of unemployment and skill development.

43. (B) 300 workers
The Code on Industrial Relations, 2020, introduced a significant change to the rules regarding the closure of establishments or

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to boost aggregate demand. Together, these concepts provide a comprehensive framework for analyzing the diverse challenges within any labour market.

27. (A) I, II, III and V
Special Economic Zones are established to attract investment and boost export-led employment through tax holidays and relaxed regulations. They often employ a high percentage of women, particularly in the garment and electronics manufacturing sectors. Tamil Nadu has utilized this model successfully to enhance its industrial capacity. However, labour laws in these zones are typically streamlined rather than being more stringent than national laws.

28. (C) Strict legislative restrictions on hiring and firing workers in enterprises.
Labour market rigidity refers to institutional or legal factors that prevent the market from adjusting to changes in supply and demand. In India, this often involves complex laws that make it difficult for firms to restructure their workforce. Such restrictions can discourage large-scale formal hiring, as employers may fear being unable to downsize during economic downturns, leading to a preference for informal labour.

29. (D) A is false but R is true.
While agriculture remains the largest employer in India, its absolute share in total employment has generally been declining over the last two decades. This trend is driven by the growth of rural non-farm opportunities and the migration of workers to the services and construction sectors. As rural economies diversify, fewer people depend solely on traditional farming for their primary source of income.

30. (B) Physical Employment Exchanges → National Career Service Portal → AI-based platform matching
Employment facilitation in India has evolved from physical government exchanges where job seekers registered in person to modern digital solutions. The National Career Service portal was launched to provide a centralized online platform for job matching and career guidance. The current trend involves moving towards advanced AI-based platforms that use algorithms to match specific candidate skills with relevant job openings across various sectors.

31. (B) Under this scheme, the Government pays the entire employee's share of the EPF contribution.
The Pradhan Mantri Rojgar Protsahan Yojana was designed to incentivize employers to create new jobs by registering workers with the EPFO. Under this scheme, the government pays the employer's full contribution of twelve percent towards the Employee Pension Scheme and Employee Provident Fund. This reduces the financial burden on businesses and encourages the formalization of the workforce in the industrial sector.

32. (D) Disguised unemployment - Increasing automation and machinery in farming.
Disguised unemployment occurs when more people are working than necessary, meaning surplus labour can be removed without reducing total output. Increasing automation in farming would likely worsen this situation by replacing manual labor with machines. Remedying disguised unemployment requires shifting surplus workers from agriculture into productive roles in the manufacturing or services sectors, where their labour can contribute to additional economic output.

33. (A) P-II, Q-III, R-I, S-IV
Tamil Nadu features diverse industrial hubs specialized in specific sectors. Tiruppur is globally renowned for knitwear and garments. Ambur is a major center for leather and footwear production. Chennai serves as a massive hub for the automobile and IT industries. Sivakasi is the national leader in the printing and matches industries. These clusters are vital for the state's economic growth and employment.

34. (A) I and II
Youth unemployment rates are consistently higher than the general unemployment rate in India. This high rate among the 15-29 age group poses a significant challenge to achieving the demographic dividend. While urban youth often face higher unemployment rates due to the wait for suitable formal jobs, rural youth also experience job scarcity. Addressing this requires targeted policies for skill development and industrial job creation.

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18. (C) The number of persons employed per 1,000 persons in the population.
The Worker Population Ratio is a key indicator used to assess the employment situation in a country. It is calculated by expressing the total number of employed persons as a proportion of the total population, usually per thousand. This metric helps in understanding the proportion of the population that is actively contributing to the production of goods and services.

19. (A) P-IV, Q-I, R-II, S-III
The Code on Wages ensures universal minimum wage coverage for all employees. The Code on Industrial Relations simplifies rules for trade unions and worker retrenchment. The Code on Social Security extends benefits to gig and platform workers. Lastly, the Code on Occupational Safety, Health and Working Conditions regulates the safety standards and environment for workers in various industrial and service establishments.

20. (A) I, II and IV
Informal employment is characterized by a lack of written contracts and social security benefits, making workers highly vulnerable to economic shocks. It represents a massive share of India's total workforce. While prevalent in the unorganized sector, informal employment also exists within formal establishments where workers are hired without permanent status or benefits, thus lacking essential legal and financial protections.

21. (B) Operating small-scale cottage industries like pottery or weaving.
Rural non-farm employment refers to all economic activities in rural areas except for direct crop cultivation and livestock rearing. This includes sectors such as small-scale manufacturing, handicrafts, construction, and services. Promoting these activities is essential for diversifying the rural economy, reducing the over-dependence on agriculture, and providing alternative income sources to rural households during periods of agricultural lean seasons.

22. (A) Both A and R are true and R is the correct explanation of A.
Educated unemployment is a significant challenge in urban India, where many graduates struggle to find jobs matching their qualifications. This issue stems from a skill mismatch, where the education system does not align with the technical and practical demands of the modern labour market. Consequently, many highly qualified individuals are forced to accept low-skilled positions or remain unemployed while searching.

23. (A) II, III, I
The sensitivity of employment measures depends on the reference period used. Current Daily Status is the most sensitive because it captures daily fluctuations and part-time work. Current Weekly Status is moderately sensitive as it considers any work performed during a seven-day window. Usual Principal Status is the least sensitive because it reflects the primary activity over a long duration of one year.

24. (A) Sector Skill Councils - Industry-led bodies to create occupational standards
Sector Skill Councils are industry-led organizations that define job roles and establish national occupational standards to ensure training aligns with market needs. Recognition of Prior Learning is a scheme to certify skills acquired informally. The National Skill Development Corporation operates under a public-private partnership model to stimulate private sector participation in skill development, rather than being a fully government-owned entity.

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25. (A) I and II
Seasonal unemployment is common in the agricultural sector because farming activities are dictated by natural cycles and monsoons. Workers often face joblessness during the months between sowing and harvesting. To address this, the Mahatma Gandhi National Rural Employment Guarantee Act provides guaranteed wage employment during these lean periods. However, this type of unemployment is not a characteristic of the IT industry.

26. (A) P-IV, Q-II, R-I, S-III
Frictional unemployment occurs during job transitions. Underemployment involves people working below their full capacity or qualification level. Open unemployment refers to individuals who are visibly without work and actively seeking it. Cyclical unemployment is linked to economic downturns and requires Keynesian policies

worker retrenchment. It raised the threshold for requiring prior government permission from one hundred to three hundred workers. This reform is intended to provide greater flexibility to employers in managing their workforce size, thereby encouraging larger-scale formal hiring and improving the ease of doing business.

44. (A) Both A and R are true and R is the correct explanation of A.
Structural unemployment cannot be solved by simply stimulating aggregate demand because it arises from a fundamental mismatch between worker skills and the requirements of modern industries. As technologies evolve, old skills become obsolete, leaving workers unemployed despite available vacancies. Addressing this requires long-term supply-side interventions such as comprehensive vocational training and reskilling programs to align the workforce with current technological needs.

45. (A) Current Daily Status → Current Weekly Status → Usual Principal Status
To capture the most nuanced aspects of employment, researchers use different status measures. Current Daily Status is the most sensitive as it records daily activity, identifying underemployment and part-time work. Current Weekly Status uses a one-week reference period, offering moderate sensitivity. Usual Principal Status is the least sensitive, as it reflects the primary activity of a person over a long duration of one year.

46. (A) I and II
Gig workers typically engage in short-term tasks or freelance work, often through digital platforms, rather than permanent employment. Recognizing their vulnerability, the Code on Social Security 2020 proposes a dedicated fund to provide them with essential benefits. However, gig workers are currently classified separately from traditional employees and do not automatically receive fixed salaries or the full protections afforded under the Minimum Wages Act.

47. (B) Large investments in education, health, and youth skill development.
Realizing the demographic dividend requires a healthy and skilled workforce that can meet the needs of a growing economy. Simply having a large young population is insufficient; the youth must be equipped with relevant education and technical skills. Investments in public health and vocational training are essential to ensure that this demographic advantage translates into productive employment and sustained economic growth for the nation.

48. (D) A is false but R is true.
Disguised unemployment is primarily an agricultural phenomenon where more labor is employed than required for optimal production. In this state, the marginal productivity of additional workers is zero, meaning their removal would not decrease total output. While this is rare in modern industrial manufacturing due to fixed job roles, it remains a critical structural issue in India's overcrowded primary sector.

49. (A) I, II and III
Minimum wages are designed to ensure workers can afford basic necessities and maintain productivity. The National Floor Wage provides a baseline to prevent states from engaging in competitive wage lowering. While states can set higher rates, they cannot fall below this floor. Furthermore, the Code on Wages 2019 retains essential provisions for equal remuneration between genders, ensuring fairness in the payment of wages.

50. (A) P-IV, Q-III, R-II, S-I
Open unemployment is visible when job seekers have no work. Educated unemployment is illustrated by graduates unable to find suitable roles. Seasonal unemployment is seen in agricultural workers jobless during non-harvest periods. Disguised unemployment occurs when surplus members work on family farms without increasing output. These scenarios highlight the diverse forms of joblessness that require different policy interventions in both rural and urban areas.

51. (A) I, II and IV
Employment patterns differ significantly between urban and rural India. Urban areas have a higher proportion of regular salaried jobs and face more pronounced educated unemployment. In contrast, self-employment is the dominant category in rural areas, largely due to agricultural activities. While rural areas often have higher

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overall workforce participation, the nature of work there is frequently more informal and seasonal compared to urban labour markets.

52. (A) II, I, III
The Industrial Disputes Act was enacted in 1947 to provide a framework for resolving labour conflicts. Decades later, as part of comprehensive reforms, the Code on Wages was passed in 2019 to unify wage-related regulations. This was followed by the Code on Social Security in 2020. These modern codes aim to simplify the legal landscape by consolidating numerous old and complex central labour laws.

53. (B) Frictional unemployment
Frictional unemployment is the period of joblessness that occurs when a worker voluntarily leaves a job to search for another or is in the process of moving between roles. This is a common and usually short-term phenomenon in dynamic labour markets, such as the IT sector. It reflects the time required for job matching and is distinct from unemployment caused by economic downturns or structural shifts.

54. (A) Both A and R are true and R is the correct explanation of A.
Traditional physical employment exchanges have seen a decline in relevance as the job market has digitized. The emergence of private portals and direct campus recruitments has streamlined the hiring process. Furthermore, the government's launch of the National Career Service portal provides a more efficient, technology-driven platform for job matching and career services, reducing the reliance on older, manual registration systems.

55. (D) LFPR - Percentage of the working-age population not seeking work.
The Labour Force Participation Rate is the percentage of the working-age population that is either currently employed or actively seeking work. It measures the total active workforce. Other metrics include Usual Status for long-term activity, Current Weekly Status for recent employment, and the Worker Population Ratio for the share of employed persons. These indicators together provide a detailed picture of the national labour market.

56. (A) I, II, III and IV
The Code on Social Security 2020 consolidates laws on maternity benefits, gratuity, and provident funds. A major advancement is the inclusion of unorganized, gig, and platform workers, requiring aggregators to contribute to a social security fund. This aims to provide a safety net for those previously excluded from formal benefits. However, it does not exempt informal establishments from basic health and safety standards.

57. (A) P-I, Q-II, R-IV, S-III
Karur is a major center for textiles and home furnishings. Hosur is known for engineering and automobile component manufacturing. Coimbatore is a significant hub for pumps, motors, and textile machinery. Thoothukudi, with its major port, hosts various port-based industries and chemical manufacturing units. These diverse industrial clusters are central to the economic development and employment generation within the state of Tamil Nadu.

58. (A) High burden of unpaid care work → Lack of flexible formal jobs → Dropping out of the labour force
The low female labour force participation in India is often driven by a sequence of socio-economic constraints. Women frequently bear a disproportionate burden of unpaid domestic duties and caregiving. The absence of flexible work arrangements in the formal sector makes it difficult to balance these responsibilities. Consequently, many women choose to drop out or remain outside the labour force, limiting their economic participation.

59. (A) Technical and non-technical vocational training.
Industrial Training Institutes are government-run vocational centers that provide essential technical and non-technical training to school leavers. Their primary objective is to supply a skilled workforce to the industrial sector by offering certificates in various trades like mechanics, electricians, and carpentry. These institutes play a crucial role in enhancing the employability of youth and supporting the manufacturing sector's growth in India.

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60. (A) Both A and R are true and R is the correct explanation of A.
Economists often argue that rigid labour laws impede the growth of formal manufacturing. Restrictive regulations regarding the hiring and firing of workers can make employers hesitant to expand their permanent workforce. Instead, businesses may rely more on informal contract labour to maintain operational flexibility. This trend hinders the creation of stable, high-quality formal jobs and affects the overall competitiveness of the manufacturing sector.

61. (A) I, II, III and IV
Generating robust employment is vital for inclusive growth and poverty reduction. It provides individuals with the income necessary to improve their living standards. Furthermore, stable jobs contribute to social stability by engaging the youth and preventing disillusionment. Effectively creating work opportunities is the only way to utilize the demographic dividend and ensure that economic growth benefits all sections of the population.

62. (C) A skilled engineer working part-time in delivery due to job scarcity.
Underemployment occurs when a person is employed but their current job does not fully utilize their skills or provide sufficient working hours. A classic example is a highly qualified professional working in a low-skilled or part-time role because suitable positions are unavailable. This situation represents an inefficient use of human capital and often results in lower income and reduced economic productivity for the individual.

63. (B) MGNREGA - Guaranteed 100 days of wage employment in a financial year
The MGNREGA provides a legal guarantee for one hundred days of unskilled manual work to rural households. This acts as a critical safety net during agricultural lean seasons. In contrast, disguised unemployment is defined by zero marginal productivity of labor. Cottage industries are small-scale and traditional, while peak harvesting periods are characterized by high labor demand rather than the seasonal unemployment seen in lean months.

64. (D) Jobs with written contracts, paid leaves, and social security benefits.
Formal employment is distinguished by the existence of a structured relationship between the employer and the employee. Workers in this sector typically have written contracts that outline their roles and rights. They are also entitled to essential benefits such as paid leave, health insurance, and social security contributions like provident funds. This provides a level of financial and job security not found in informal work.

65. (A) I, II, III
In India's workforce, the largest share consists of self-employed individuals, including those in agriculture and own account workers. Casual wage workers, who rely on daily or intermittent work, form the second-largest group. Regular salaried employees, who have more stable jobs and formal benefits, represent the smallest portion of the three. This distribution highlights the high level of informality and self-reliance in the national labour market.

66. (C) To assess and certify individuals who have acquired skills informally.
Recognition of Prior Learning is a key component of the Pradhan Mantri Kaushal Vikas Yojana. It aims to identify and formally certify the skills of workers who have learned their trade through experience or informal apprenticeship rather than formal schooling. By providing an official certification, the scheme enhances the employability and market value of these workers, helping them transition into better-paying formal opportunities.

67. (A) P-III, Q-IV, R-I, S-II
Startup India provides tax exemptions and simplified compliance to foster new ventures. Stand-Up India facilitates bank loans specifically for SC/ST and women entrepreneurs. Make in India aims to boost domestic manufacturing and attract foreign investment. Skill India focuses on providing vocational training and certification to the youth. Together, these programs form a comprehensive strategy to promote entrepreneurship, manufacturing, and employability across the country.

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68. (D) A street vendor selling vegetables in a local municipal market.
The unorganised sector consists of small, unregistered enterprises and individuals who operate outside formal regulatory frameworks. Street vendors, daily wage earners, and home-based workers are typical examples. Unlike banks or large manufacturing plants, these workers usually lack written contracts, fixed working hours, and social security benefits. They represent a highly vulnerable segment of the workforce that often faces significant income instability.

69. (B) Code on Industrial Relations - Abolition of all trade unions
The Code on Industrial Relations 2020 does not abolish trade unions; instead, it streamlines the process for their recognition and simplifies rules for collective bargaining and dispute resolution. The Code on Wages ensures gender-neutral pay, while the Code on Social Security extends benefits to gig workers. The Occupational Safety Code standardizes health and working conditions. These reforms aim to balance worker rights with the flexibility required for industrial growth.

70. (A) Both A and R are true and R is the correct explanation of A.
India has faced debates over jobless growth because high GDP expansion hasn't always led to proportional employment gains. This is largely because growth has been concentrated in capital-intensive and high-skill service sectors like information technology. These industries require specialized education and do not easily absorb the large number of unskilled or semi-skilled workers who are transitioning away from the traditional agricultural sector.

71. (A) Registration on portal → Skill assessment and career counseling → Applying for matched jobs
The National Career Service portal offers a structured path for job seekers. First, individuals register their profiles online. They can then access tools for skill assessment and receive career counseling to identify suitable paths. Finally, the platform uses technology to match their skills with available job vacancies, allowing them to apply directly for positions that align with their qualifications and professional aspirations.

72. (A) It employs the highest proportion of women in its factory workforce.
Tamil Nadu is notable in the Indian industrial landscape for its high female labour participation, particularly within its manufacturing sector. The state's extensive network of garment, electronics, and footwear factories employs a significant proportion of women compared to the national average. This trend is supported by a robust industrial ecosystem and policies that encourage female employment in export-oriented and labor-intensive sectors.

73. (A) P-I, Q-III, R-IV, S-II
A minimum wage ensures bare sustenance and basic worker efficiency. A living wage is higher, providing for health, education, and a decent standard of living. A fair wage sits between the minimum and living wages, adjusted for industrial capacity. The National Floor Wage is the baseline set by the central government, below which no state can legally fix its own minimum wage rates.

74. (B) Demographic disaster with high youth unemployment and social unrest.
A demographic dividend is not a guaranteed benefit. If a country with a large young population fails to provide quality education and create enough productive jobs, the advantage can turn into a demographic disaster. High levels of youth unemployment and underemployment can lead to widespread social frustration, economic stagnation, and potential social unrest, undermining the long-term stability and growth of the nation.

75. (A) Structural unemployment - Mismatch between worker skills and market demand.
Structural unemployment occurs when the skills of the available workforce do not match the requirements of existing job openings. This is often caused by technological changes or shifts in the economy. Frictional unemployment is temporary job-searching, while seasonal unemployment is linked to harvest cycles. Disguised unemployment, common in agriculture, involves workers whose marginal productivity is zero because the sector is overcrowded.

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76. (C) The universal statutory ban on women working in the service sector.
Low female labour force participation in India is driven by cultural norms, the heavy burden of unpaid domestic work, and safety concerns during commuting. There is no statutory ban on women working in the service sector; in fact, women are prominent in several service industries. Improving participation requires addressing structural barriers like childcare needs and safe transportation rather than lifting non-existent legal bans on their employment.

77. (D) Workforce is the employed population; labour force includes those seeking work.
In economic statistics, the labour force consists of all individuals who are either currently working or are unemployed but actively looking for a job. The workforce is a subset of this group, referring specifically to those who are actually employed. The difference between the labour force and the workforce represents the number of unemployed individuals in the economy at a given time.

78. (C) PMEGP - Providing old-age pensions to unorganized workers
The Prime Minister's Employment Generation Programme is a credit-linked subsidy scheme focused on creating employment through the establishment of new micro-enterprises in both rural and urban areas. It is not an old-age pension scheme. Other programs like MUDRA provide loans for small businesses, while the PMKVY and NAPS focus on skill certification and apprenticeship to enhance youth employability.

79. (B) Cyclical unemployment
Cyclical unemployment is directly related to the ups and downs of the business cycle. During a recession, aggregate demand falls, leading to job losses across various sectors. To combat this, governments often use expansionary fiscal policies, such as increasing spending on infrastructure projects. This creates direct employment and stimulates overall economic demand, helping to reduce the unemployment caused by the temporary economic downturn.

80. (B) 5 years
Historically, the National Sample Survey Office conducted its comprehensive employment and unemployment surveys every five years. These were known as quinquennial rounds and provided the primary data for understanding long-term labor trends in India. The introduction of the Periodic Labour Force Survey in 2017 replaced this system with a more frequent data collection model to provide annual and quarterly updates on employment status.

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81. (A) Working at least 1 hour on any day during the reference week.
Current Weekly Status is a measure of employment used in surveys like the PLFS. A person is considered employed under this status if they worked for at least one hour on any day during the seven days preceding the date of the survey. This measure helps in identifying individuals who have some form of work, even if it is short-term or irregular.

82. (C) Lack of traditional social security and health benefits.
While the gig economy offers workers flexibility in choosing their hours and tasks, it often lacks the structural protections of formal employment. Platform workers usually do not receive employer-funded social security, health insurance, or retirement benefits. This lack of a safety net makes them financially vulnerable in case of accidents, illness, or economic downturns, which are typically covered in regular salaried positions.

83. (A) Formal sector
An individual working in a registered company with more than ten employees and receiving benefits like an EPF contribution is part of the formal sector. Formal employment is characterized by legal contracts, regular wages, and social security protections. These features provide workers with a higher degree of job security and financial stability compared to the informal or unorganized sectors of the economy.

84. (D) Agricultural employment numbers increase every year without fail.
Agriculture remains India's largest employer, but the proportion of the workforce engaged in it is generally declining as the economy modernizes. Workers are slowly shifting to non-farm sectors like construction and services. While agricultural employment is high, it is characterized by disguised unemployment. The total number of people employed in farming does not increase

every year; it fluctuates based on various economic factors and rural-urban migration.

85. (B) They operate enterprises without hiring continuous labour.
Own account workers are a major category of the self-employed workforce in India. These individuals run their own small businesses, shops, or professional practices entirely by themselves or with the help of family members. Their distinguishing feature is that they do not hire any outside workers on a regular, paid basis. This category includes many traditional artisans, street vendors, and small-scale service providers.

86. (B) 2040-2050
The demographic dividend is a time-limited opportunity for economic growth. For India, this window opened in recent decades and is expected to peak as the working-age population reaches its maximum proportion relative to dependents. Experts project that this advantage will begin to taper off between 2040 and 2050 as the population age structure shifts towards an older demographic, emphasizing the urgency of current skill development.

87. (D) Balance ease of doing business with basic worker protections.
The consolidation of numerous central labour laws into four simplified codes was designed to modernize India's regulatory framework. The goal is to reduce the compliance burden for businesses, thereby encouraging investment and formal job creation. At the same time, the codes aim to maintain and extend essential protections, such as minimum wages and social security, to a larger portion of the national workforce.

88. (A) Frictional unemployment
Frictional unemployment describes the short-term period of joblessness when individuals are transitioning between positions. It is a natural part of any healthy economy, as it allows workers to search for roles that better match their skills and preferences. This type of unemployment is generally voluntary and reflects the time needed for the job-matching process to occur efficiently in the labour market.

89. (B) Disguised unemployment
This scenario illustrates disguised unemployment, where the number of people working on a project exceeds the number actually required. Since the total output remains unchanged despite extra workers, the marginal productivity of those additional members is zero. This phenomenon is common in the Indian agricultural sector, where limited land must support large families due to a lack of alternative employment opportunities in other sectors.

90. (B) Public Private Partnership (PPP) model
The National Skill Development Corporation was established to catalyze the skill development ecosystem in India. It operates under a Public Private Partnership model, with the private sector holding a majority share. This structure is intended to ensure that skill training programs are industry-led and responsive to the actual demands of the labour market, thereby improving the employability of the trained workforce.

91. (A) Day-to-day workers who are highly vulnerable to income shocks.
Casual wage workers are hired on a daily or short-term basis for specific tasks. They lack formal contracts, steady income, and social security benefits, making them one of the most vulnerable groups in the labour market. These workers are frequently found in construction, agriculture, and other labor-intensive sectors where employment is irregular and highly dependent on immediate market demand.

92. (C) They operate outside standard customs territory for trade and duties.
Special Economic Zones are specific areas treated as foreign territory for the purpose of trade operations, duties, and tariffs. This unique status allows businesses within the zone to import raw materials and capital goods without paying standard customs duties, provided the final products are exported. This incentive is designed to attract large-scale industrial investment and generate significant employment in export-oriented manufacturing.

93. (D) It provides direct cash grants that do not need to be repaid.
The Pradhan Mantri MUDRA Yojana is a loan scheme, not a grant program. It provides

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collateral-free credit to micro and small enterprises through various financial institutions. The loans are categorized as Shishu, Kishore, and Tarun based on the amount required. Borrowers are expected to repay these loans with interest, using the funds to start or expand their business activities and create livelihoods.

94. (C) It arrests rural-to-urban distress migration via local livelihoods.
Promoting rural non-farm employment helps create jobs within rural areas in sectors like handicrafts, small manufacturing, and services. This provides alternative income sources for rural households, reducing their sole dependence on agriculture. By creating local opportunities, it helps prevent distress migration to cities, where workers often face poor living conditions and job insecurity in the informal urban sector.

95. (B) Code on Social Security, 2020
The Code on Social Security 2020 is a landmark law that formally recognizes gig and platform workers. It provides a legal framework to extend social security benefits to those working for digital aggregators. The code mandates the creation of a social security fund, with contributions from platform companies, to provide benefits such as accident insurance, health coverage, and disability support for these workers.

96. (B) 15 to 29 years
In the context of employment statistics and surveys like the PLFS in India, the youth population is generally defined as individuals between the ages of fifteen and twenty-nine years. Monitoring the unemployment rate in this specific age group is crucial for understanding the challenges faced by new entrants into the labour market and for designing policies to harness the demographic dividend effectively.

97. (A) Employers
In the classification of self-employment, employers are individuals who run their own business enterprises and regularly hire one or more workers on a wage or salary basis. They differ from own account workers, who also run enterprises but do not hire any regular help. Employers represent the entrepreneurial segment of the self-employed workforce that directly contributes to job creation for others in the economy.

98. (C) Tiruppur is a global export hub for knitwear with a large workforce.
Tamil Nadu is a major industrial state with several globally recognized manufacturing clusters. Tiruppur is a primary example, serving as a massive hub for the production and export of knitwear and garments. This cluster provides employment to hundreds of thousands of workers and contributes significantly to the state's economy. The state is also known for its strong presence in automobiles, leather, and electronics.

99. (A) It provides estimates in 'Usual Status' and 'Current Weekly Status'.
The Periodic Labour Force Survey uses a comprehensive methodology to track employment trends. It collects data on Usual Status, which reflects the primary activity over a year, and Current Weekly Status, which captures employment in the seven days prior to the survey. This dual approach allows the government to monitor both long-term structural changes and short-term fluctuations in the national labour market.

100. (D) It distributes growth, reduces poverty, and leverages demographics.
Robust employment generation is the most critical macroeconomic goal because it ensures that the benefits of economic growth reach the general population. By providing steady incomes, it directly reduces poverty and improves living standards. Furthermore, creating productive jobs is the only way to effectively utilize India's large working-age population, ensuring that the demographic dividend contributes to long-term national prosperity and social stability.

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CHAPTER 10

Land Reforms in India: History, Policy and Assessment

1. In the Madras Presidency, the Ryotwari system was primarily introduced to establish a direct revenue settlement with the cultivators. Who among the following was fundamentally associated with its implementation?
(A) Lord Cornwallis
(B) Thomas Munro
(C) Lord Dalhousie
(D) William Bentinck
(E) Answer not known

2. Consider the following statements regarding the pre-independence land tenure systems in India:
I. The Zamindari system involved intermediaries who collected rent and paid revenue to the British.
II. The Ryotwari system was a direct settlement with cultivators, prominently in the Madras and Bombay presidencies.
III. The Mahalwari system was characterized by individual responsibility of the ryot in Southern India.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I only
(D) III only
(E) Answer not known

3. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): The Zamindari system led to the severe impoverishment and exploitation of the peasantry in colonial India.
Reason (R): The intermediaries practiced rack-renting and absentee landlordism, extracting maximum surplus without investing in agricultural improvement.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

4. Match the pre-independence land tenure systems and concepts in List I with their primary characteristics in List II:
List I: (Land Tenure System/Concept)
P. Zamindari System
Q. Ryotwari System
R. Mahalwari System
S. Economic Drain
List II: (Primary Characteristic)
I. Direct settlement with the cultivators
II. Wealth transfer from India to Britain
III. Village community joint responsibility
IV. Intermediaries and absentee landlords
(A) P-IV, Q-I, R-III, S-II
(B) P-III, Q-I, R-IV, S-II
(C) P-IV, Q-III, R-I, S-II
(D) P-I, Q-IV, R-II, S-III
(E) Answer not known

5. Which of the following best defines the term "rack-renting" in the context of the Zamindari system?
(A) Extorting excessively high rent from tenants
(B) Exempting tenants from revenue during famines
(C) Voluntary land surrender to the community
(D) Government-fixed standardized rent amounts
(E) Answer not known

6. Which of the following represents the correct sequence of the core components of land reforms initiated after independence?
(A) Tenancy Reforms → Abolition of

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Intermediaries → Consolidation of Holdings → Land Ceilings
(B) Abolition of Intermediaries → Tenancy Reforms → Land Ceilings → Consolidation of Holdings
(C) Land Ceilings → Consolidation of Holdings → Abolition of Intermediaries → Tenancy Reforms
(D) Consolidation of Holdings → Land Ceilings → Tenancy Reforms → Abolition of Intermediaries
(E) Answer not known

7. Which of the following statements correctly identifies a major grievance that necessitated post-independence land reforms?
(A) Equal distribution of agricultural land across all farming communities
(B) High degree of land concentration and widespread exploitative tenancy
(C) Over-investment in agricultural infrastructure by absentee landlords
(D) Absence of any land revenue demand by the colonial government
(E) Answer not known

8. Consider the following statements regarding the need for land reforms in post-independence India:
I. Extreme inequality in land ownership created a large class of landless labourers.
II. Insecure tenancy discouraged tenants from making long-term investments in land.
III. Agricultural stagnation was a direct result of exploitative agrarian relations.
IV. Zamindars distributed their surplus wealth evenly among the cultivating tenants.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) II, III and IV only
(C) I and IV only
(D) II and III only
(E) Answer not known

9. Identify the correctly matched pair regarding agrarian relations:
(A) Zamindar - One who personally cultivates the land
(B) Ryot - Headman collecting community revenue
(C) Intermediary - Hired landless agricultural laborer
(D) Absentee Landlord - Owner residing away from the estate
(E) Answer not known

10. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): The Ryotwari system completely eliminated agrarian exploitation and rural indebtedness in the Madras Presidency.
Reason (R): Under the Ryotwari system, the state established a direct settlement with the cultivators for land revenue.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

11. Which of the following was a unique feature of the Mahalwari system compared to other colonial land revenue settlements?
(A) Absolute ownership of land by the British Crown
(B) Joint responsibility of the village community for revenue payment
(C) Complete exemption of revenue for dry lands
(D) Creation of permanent hereditary landlords known as Zamindars
(E) Answer not known

12. Arrange the following land reform legislations/events in India in chronological order:
1. First Constitutional Amendment Act
2. Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act
3. Urban Land (Ceiling and Regulation) Act
4. Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act
(A) 1, 2, 3, 4
(B) 2, 1, 3, 4
(C) 1, 3, 2, 4
(D) 3, 1, 2, 4
(E) Answer not known

Eviction
(D) Conferment of Ownership Rights → Protection from Eviction → Regulation of Rent
(E) Answer not known

27. Which of the following statements correctly describes the "Right of Resumption" in tenancy laws?
(A) The right of the state to acquire surplus land without compensation
(B) The right of the landowner to take back a portion of leased land strictly for personal cultivation
(C) The right of the tenant to resume cultivation after a drought year
(D) The right of the village panchayat to manage common pasture lands
(E) Answer not known

28. Consider the following statements regarding land ceiling legislations in India:
I. Exemptions were initially granted to plantations like tea, coffee, and rubber.
II. Lands held by religious and charitable institutions were generally exempted.
III. Lands utilized for specialized industrial purposes were subjected to the strictest ceiling limits.
IV. Numerous exemptions served as loopholes, defeating the primary purpose of land redistribution.
Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) II, III and IV only
(C) I and IV only
(D) II and III only
(E) Answer not known

29. Identify the correctly matched pair regarding exemptions under early Land Ceiling Acts:
(A) Religious Institutions - Exempted from the ceiling limits
(B) Tea Plantations - Strictly subjected to standard acre limits
(C) Sugar Factories - Prohibited from holding any agricultural land
(D) Cooperative Farming Societies - Subjected to individual ceiling limits multiplied by two
(E) Answer not known

30. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): The implementation of land ceiling legislations successfully eradicated rural poverty and landlessness entirely in India.
Reason (R): Surplus land acquired by the government under ceiling laws was primarily distributed among SCs, STs, and the landless poor.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

31. Which prominent feature of landlord behavior severely undermined the effectiveness of Land Ceiling Acts prior to their strict enforcement?
(A) Adoption of mechanized farming systems
(B) Voluntary donation of land to state
(C) Conversion to commercial real estate
(D) Use of benami transfers to relatives
(E) Answer not known

32. Arrange the standard procedural steps involved in the distribution of surplus land under ceiling laws:
1. Vesting of surplus land with the State Government
2. Determination and declaration of surplus land above the ceiling limit
3. Distribution of surplus land to eligible beneficiaries
4. Surrender or acquisition of surplus land from the landowner
(A) 2, 4, 1, 3
(B) 1, 2, 4, 3
(C) 2, 1, 4, 3
(D) 4, 2, 1, 3
(E) Answer not known

33. Match the state-specific land reform acts/events in List I with their associated details in List II:
List I: (Act/Event)
P. Tamil Nadu Land Reforms Act
Q. Operation Barga
R. Most successful overall land reform model

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20. The pre-independence land revenue systems can be classified into direct and indirect settlements. Which of the following represents a direct settlement system?
(A) Zamindari System
(B) Malguzari System
(C) Ryotwari System
(D) Taluqdari System
(E) Answer not known

21. The First Constitutional Amendment Act of 1951 introduced the Ninth Schedule primarily to:
(A) Shielding reform laws from judicial court challenges
(B) Enforce uniform civil code across India
(C) Abolish the fundamental right to property entirely
(D) Mandate voluntary land donation under the Bhoodan movement
(E) Answer not known

22. Consider the following statements regarding tenancy reforms in India:
I. Security of tenure aims to protect tenants from arbitrary eviction by landlords.
II. Regulation of rent successfully fixed tenant rent at a uniform 80% of the gross produce across all states.
III. Conferment of ownership rights allowed tenants to purchase the land they cultivated under specific conditions.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) I only
(D) III only
(E) Answer not known

23. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): The Ninth Schedule was added to the Constitution to shield progressive land reform legislations from judicial review.
Reason (R): The original Constitution of 1950 did not contain any fundamental right related to property ownership.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

24. Match the following terms related to tenancy reforms in List I with their appropriate descriptions in List II:
List I: (Term)
P. Security of Tenure
Q. Fair Rent
R. Right of Resumption
S. Voluntary Surrender
List II: (Description)
I. Maximum limit on the share of produce paid to the landlord
II. Often coerced relinquishment of tenancy rights by a tenant
III. Protection against arbitrary displacement from leased land
IV. Landlord's legal provision to take back land for personal cultivation
(A) P-III, Q-I, R-IV, S-II
(B) P-IV, Q-II, R-I, S-III
(C) P-I, Q-III, R-II, S-IV
(D) P-III, Q-IV, R-I, S-II
(E) Answer not known

25. What does the term "Benami Tenancy" signify in the context of land reforms?
(A) Tenancy registered strictly under the government's digital records
(B) Legal protection granted to women tenants for inheritance
(C) Tenancy agreements mediated by religious institutions
(D) Fictitious tenancies created by landlords to evade ceiling and tenancy laws
(E) Answer not known

26. Which of the following represents the correct logical sequence of tenancy reform measures implemented by state governments?
(A) Conferment of Ownership Rights → Regulation of Rent → Protection from Eviction
(B) Protection from Eviction → Regulation of Rent → Conferment of Ownership Rights
(C) Regulation of Rent → Conferment of Ownership Rights → Protection from

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limit from 30 standard acres to 15 standard acres.
III. Surplus land acquired was entirely utilized for establishing state-owned heavy industries.
IV. Beneficiaries of surplus land distribution included landless agricultural labourers.
V. Exemptions given to religious trusts reduced the total volume of surplus land available.

Which of the above statement(s) is/are correct?
(A) I, II, IV and V only
(B) II, III, IV and V only
(C) I, III and V only
(D) II, IV and V only
(E) Answer not known

55. Which of the following is NOT a feature or objective of the Tamil Nadu Land Reforms legislation?
(A) Fixation of ceiling on agricultural holdings
(B) Mandatory confiscation of all urban properties holding over 1 acre
(C) Prevention of concentration of land ownership in a few hands
(D) Acquisition and distribution of surplus agricultural land to the landless
(E) Answer not known

56. Identify the incorrectly matched pair in the context of land records modernisation:
(A) RoR - Record of Rights
(B) Cadastral Map - Map showing boundaries and ownership of land parcels
(C) Mutation - The physical process of updating records after a transfer of ownership
(D) Spatial Data - Geographical and physical mapping of land
(E) Answer not known

57. Under the Tamil Nadu land ceiling framework, why does the physical area limit for "dry land" exceed that for "irrigated land" to constitute one standard acre?
(A) Dry lands are predominantly owned by foreign corporate entities.
(B) Dry lands are exclusively reserved for industrial development.
(C) Irrigated lands require less manual labour to cultivate.
(D) Irrigated land has higher productivity and income-generating capacity per acre than dry land.
(E) Answer not known

58. Which of the following statements regarding the fragmentation of agricultural holdings is incorrect?
(A) It significantly reduces the per-acre cost of cultivation and increases net profits.
(B) It decreases the operational efficiency of agricultural machinery.
(C) It leads to disputes over boundaries and water rights.
(D) Consolidation programs were designed to counter this issue.
(E) Answer not known

59. What is a major advantage of the digitization of land records for a farmer?
(A) Full exemption from state land taxes
(B) Easier record access for bank credit
(C) Preventing state land acquisition rights
(D) Doubling land value through digitizing
(E) Answer not known

60. When comparing the consolidation of land holdings across India, which region demonstrated the most successful implementation?
(A) The North-Eastern states
(B) The North-Western states like Punjab and Haryana
(C) The Southern states like Tamil Nadu and Kerala
(D) The Eastern states like West Bengal and Odisha
(E) Answer not known

61. In which Indian state was 'Operation Barga' implemented to register sharecroppers and secure their tenancy rights?
(A) West Bengal
(B) Kerala
(C) Tamil Nadu
(D) Bihar
(E) Answer not known

62. Consider the following statements assessing land reforms in India:
I. Zamindari abolition was largely successful in removing top-tier statutory intermediaries.
II. Benami transfers significantly aided the success of land ceiling laws by creating a

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S. Urban Land Ceiling and Regulation Act

List II: (Associated Detail)

I. Kerala

II. 1961

III. 1976

IV. West Bengal

(A) P-II, Q-IV, R-I, S-III

(B) P-IV, Q-II, R-III, S-I

(C) P-II, Q-I, R-IV, S-III

(D) P-III, Q-IV, R-I, S-II

(E) Answer not known

34. Consider the following statements regarding the regulation of rent as a tenancy reform:

I. It aimed to replace customary exorbitant rents with legally defined fair rents.

II. The maximum rent was generally prescribed between 20% to 25% of the gross produce.

III. In actual practice, market forces and land scarcity often kept rents higher than the statutory limit.

IV. It was flawlessly implemented across all Indian states without any landlord resistance.

V. It was a crucial step towards preventing the economic exploitation of sharecroppers.

Which of the above statement(s) is/are correct?

(A) I, II, III and V only

(B) II, III, IV and V only

(C) I, III and V only

(D) II, IV and V only

(E) Answer not known

35. Which of the following categories of land was generally NOT granted an exemption from early state-level Land Ceiling Acts?

(A) Ordinary irrigated lands used for paddy cultivation by individual farmers

(B) Orchards and specialized farms

(C) Land held by religious and charitable trusts

(D) Sugarcane farms operated by sugar factories

(E) Answer not known

36. Identify the incorrectly matched pair regarding the outcome of tenancy reforms:

(A) Deemed Purchase - Conferring ownership rights on cultivating tenants

(B) Voluntary Surrender - A mechanism heavily used by landlords to evict tenants legally

(C) Sub-infeudation - Direct state support for tenants to lease land to sub-tenants

(D) Fair Rent - Fixing maximum rent ceiling to protect tenants

(E) Answer not known

37. How did the practice of "voluntary surrender" undermine the objective of security of tenure?

(A) Tenants surrendered rights via coercion

(B) Landlords surrendered land without law

(C) State waived revenue for poor tenants

(D) Tenants gave up land for afforestation

(E) Answer not known

38. Which of the following statements incorrectly describes the outcome of land ceiling implementation in India?

(A) Loopholes in the law allowed landlords to retain large holdings through benami transactions.

(B) The definition of the "family unit" for ceiling limits varied across states and time periods.

(C) SCs, STs, and landless labourers were designated as the primary beneficiaries of surplus land.

(D) A massive amount of surplus land was declared and physically distributed compared to the total arable land.

(E) Answer not known

39. What is the primary disadvantage or negative consequence of "benami transfers" in the context of land reforms?

(A) Drastically reducing total crop production

(B) Shrinking surplus to defeat redistribution

(C) Shifting land revenue burdens to the poor

(D) Driving rapid, uncontrolled urban expansion

(E) Answer not known

40. When comparing the progress of various land reform components in India, which of the following statements is generally considered accurate?

(A) Tenancy reforms faster than abolition

(B) High ceiling success in most states

(C) Higher success in Zamindari abolition

(D) Success of consolidation in East India

(E) Answer not known

41. The problem of land fragmentation in India is fundamentally driven by which of the following?

(A) Large-scale corporate farming policies

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13. Match the components of land reforms in List I with their primary objectives in List II:
List I: (Component of Land Reform)
P. Abolition of Zamindari
Q. Tenancy Reforms
R. Land Ceiling
S. Consolidation of Holdings
List II: (Primary Objective)
I. Fixing maximum size of land ownership
II. Providing security against arbitrary eviction
III. Removing intermediaries between state and peasant
IV. Bringing scattered plots into a compact block
(A) P-III, Q-II, R-I, S-IV
(B) P-II, Q-III, R-IV, S-I
(C) P-III, Q-I, R-II, S-IV
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

14. Consider the following statements regarding Zamindari Abolition in India:
I. It was the first major component of agrarian reforms after independence.
II. State governments enacted independent legislations to abolish intermediaries.
III. The First Constitutional Amendment 1951 was enacted to protect these laws from judicial review.
IV. It established a direct relationship between the state and the cultivators.
V. Intermediaries were completely denied any form of compensation by the state.
Which of the above statement(s) is/are correct?
(A) I, II, III and IV only
(B) II, III, IV and V only
(C) I, III and V only
(D) II, IV and V only
(E) Answer not known

15. Which of the following is NOT considered a core component of the post-independence land reform policy in India?
(A) Abolition of intermediaries
(B) Regulation of tenancy and fair rent
(C) Fixation of ceiling on agricultural holdings
(D) Subsidization of agricultural exports
(E) Answer not known

16. Identify the incorrectly matched pair regarding the impact of early land reforms:
(A) Zamindars - Stripped of their intermediary revenue collection rights
(B) Superior Tenants - Gained ownership rights directly from the state
(C) Landless Labourers - Became the largest immediate beneficiaries of Zamindari abolition
(D) State Governments - Took over direct revenue collection
(E) Answer not known

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17. How did absentee landlordism most directly impact agricultural productivity before independence?
(A) It drastically increased productivity due to high capital investment by landlords.
(B) It depressed productivity as landlords extracted maximum rent without investing in land improvement.
(C) It encouraged scientific farming practices among sharecroppers.
(D) It led to the voluntary consolidation of fragmented land holdings.
(E) Answer not known

18. Which of the following statements about the compensation paid to Zamindars during abolition is incorrect?
(A) Compensation formulas varied significantly from state to state.
(B) The Constitution was amended to ensure compensation disputes could not invalidate the reform laws.
(C) Compensation was often paid partly in cash and partly in bonds.
(D) Zamindars received compensation equal to the exact current market value of their entire estates.
(E) Answer not known

19. What is the primary advantage of the consolidation of agricultural holdings?
(A) Improving efficiency and reducing cultivation costs
(B) Increasing the number of rural intermediaries
(C) Facilitating legal conversion into urban estates
(D) Preventing tenants from acquiring ownership rights
(E) Answer not known

I. Complete computerisation of textual and spatial land records.
II. Moving from a presumptive titling system to a conclusive land titling system.
III. Restricting public access to land records to prevent property disputes.
IV. Integration of property registration processes with land records maintenance.

Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) II, III and IV only
(C) I and III only
(D) II and IV only
(E) Answer not known

49. Identify the correctly matched pair regarding land ceiling calculations in Tamil Nadu:
(A) Standard Acre - A uniform physical measurement identical to a regular acre everywhere
(B) Dry Land - Requires more physical acres to equal one standard acre compared to fertile irrigated land
(C) Irrigated Land - Generally allows for a larger physical holding compared to dry land
(D) Stridhan Land - Excluded entirely from any family ceiling calculations unconditionally
(E) Answer not known

50. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.

Assertion (A): The consolidation of land holdings achieved remarkable success in Punjab and Haryana.

Reason (R): South Indian states like Tamil Nadu successfully implemented complete consolidation of all agricultural holdings by 1980.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

51. A key feature of the Digital India Land Records Modernisation Programme (DILRMP) is achieving "Conclusive Titling." What does this imply?
(A) State-guaranteed title with dispute compensation
(B) Ownership based on presumption and possession
(C) Title transfer through official verbal records
(D) State ownership of all agricultural holdings
(E) Answer not known

52. Arrange the typical steps involved in the end-to-end computerisation of land records:
1. Data entry of legacy textual records
2. Issuance of digitally signed Records of Rights (RoR)
3. Digitization of cadastral maps
4. Integration of spatial data with textual data

(A) 1, 3, 4, 2
(B) 3, 1, 2, 4
(C) 1, 2, 3, 4
(D) 4, 3, 1, 2
(E) Answer not known

53. Match the Tamil Nadu land administration terms in List I with their correct meanings in List II:

List I: (Term)
P. Patta
Q. Chitta
R. Adangal
S. FMB (Field Measurement Book)

List II: (Meaning)
I. Record showing ownership details and land assessment
II. Record detailing cultivation, crop grown, and yield
III. Sketch showing the boundaries and measurements of a land parcel
IV. Legal document issued by the government conferring land ownership

(A) P-IV, Q-I, R-II, S-III
(B) P-I, Q-II, R-IV, S-III
(C) P-IV, Q-II, R-I, S-III
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

54. Consider the following statements regarding land redistribution in Tamil Nadu:
I. The Tamil Nadu Land Reforms Act of 1961 established a ceiling on agricultural land.
II. Amendments in 1970 reduced the ceiling

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(B) The widespread success of the Bhoodan movement
(C) The rapid computerization of land records
(D) The laws of inheritance and succession dividing property among heirs
(E) Answer not known

42. Consider the following statements regarding the consolidation of holdings:
I. It aims to solve the problem of fragmentation by bringing scattered plots into compact blocks.
II. The process was highly successful in states like Punjab and Haryana, aiding the Green Revolution.
III. Inheritance laws have historically played no role in the fragmentation of agricultural land.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) I only
(D) III only
(E) Answer not known

43. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): The abolition of sub-infeudation was a critical step for tenurial simplification.
Reason (R): Sub-infeudation created multiple layers of rent-receiving intermediaries between the State and the actual tiller of the soil.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

44. Match the following elements of modern land administration in List I with their focus areas under DILRMP in List II:
List I: (Element of Modern Administration)
P. Computerisation of Land Records
Q. Survey/Resurvey
R. Computerisation of Registration
S. Modern Record Rooms
List II: (Focus Area)
I. Integration of property deeds with the registry
II. Digitization of text records and mutation updates
III. Safe preservation and easy retrieval of physical records
IV. Updating spatial records and maps using modern technology
(A) P-II, Q-IV, R-I, S-III
(B) P-IV, Q-II, R-I, S-III
(C) P-II, Q-I, R-IV, S-III
(D) P-I, Q-IV, R-II, S-III
(E) Answer not known

45. What does the acronym DILRMP stand for in the context of land administration in India?
(A) Digital India Land Records Modernisation Programme
(B) Department of Indian Land Rights Management Programme
(C) Direct Integration of Land Reform Management Policies
(D) Digital Initiative for Land Redistribution and Mapping Programme
(E) Answer not known

46. Which of the following represents the correct chronological evolution of land ceiling limits in Tamil Nadu?
(A) 15 standard acres → 30 standard acres
(B) 50 standard acres → 40 standard acres
(C) 30 standard acres → 15 standard acres
(D) 10 standard acres → 5 standard acres
(E) Answer not known

47. Which of the following statements correctly highlights a provision of the Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act, 1961?
(A) The act mandated identical holding limits for both dry and irrigated lands.
(B) Corporate entities were completely barred from holding any non-agricultural land.
(C) The act completely abolished the Ryotwari settlement in Tamil Nadu.
(D) The original ceiling limit for a family of five was fixed at 30 standard acres.
(E) Answer not known

48. Consider the following statements regarding the objectives of DILRMP:

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larger pool of surplus land.
III. Tenancy reforms achieved complete and universal security of tenure across all Indian states flawlessly.
Which of the above statement(s) is incorrect?
(A) II and III only
(B) I and II only
(C) I only
(D) III only
(E) Answer not known

63. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): The land reforms in Kerala are widely considered among the most successful in India.
Reason (R): The reforms in Kerala successfully reinforced and institutionalized absentee landlordism.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

64. Match the following states in List I with their prominent land reform achievements or features in List II:
List I: (State)
P. Kerala
Q. West Bengal
R. Punjab
S. Tamil Nadu
List II: (Land Reform Achievement/Feature)
I. Operation Barga for sharecroppers
II. Highly successful consolidation of holdings
III. Comprehensive abolition of landlordism and redistribution
IV. Fixation of ceiling at 15 standard acres (amended)
(A) P-III, Q-I, R-II, S-IV
(B) P-I, Q-III, R-IV, S-II
(C) P-III, Q-II, R-I, S-IV
(D) P-IV, Q-I, R-II, S-III
(E) Answer not known

65. What was the primary objective of the Urban Land (Ceiling and Regulation) Act, 1976?
(A) Mandating construction of skyscrapers
(B) Ensuring equitable urban land distribution
(C) Abolishing all municipal property taxes
(D) Converting private lands into public parks
(E) Answer not known

66. Which of the following represents the correct sequence of steps undertaken during 'Operation Barga'?
1. Identification of Sharecroppers
2. Registration in Land Records
3. Conferring Security of Tenure
(A) Identification of Sharecroppers → Registration in Land Records → Conferring Security of Tenure
(B) Conferring Security of Tenure → Identification of Sharecroppers → Registration in Land Records
(C) Registration in Land Records → Conferring Security of Tenure → Identification of Sharecroppers
(D) Identification of Sharecroppers → Conferring Security of Tenure → Registration in Land Records
(E) Answer not known

67. Which of the following is widely recognized as a major failure of land reforms in India?
(A) Low volume of land redistributed
(B) Failure to abolish Zamindari systems
(C) Preventing fragmentation of holdings
(D) State over-compensation of tenants
(E) Answer not known

68. Consider the following statements regarding the political economy of land reforms:
I. Strong political will ensures flawless execution without any resistance.
II. Landed classes voluntarily surrendered their prime lands without demanding compensation.
III. Implementation was heavily hindered by a lack of updated and accurate land records.
IV. Bureaucratic apathy and legal loopholes contributed to the failure of reforms in several states.
Which of the above statement(s) is incorrect?
(A) I and II only
(B) I, II and IV only

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26. (B) Protection from Eviction → Regulation of Rent → Conferment of Ownership Rights
Tenancy reforms are typically implemented in a logical sequence to ensure effective protection for cultivators. The first step involves providing security of tenure to prevent arbitrary evictions. Once tenure is protected, governments implement the regulation of rent to stop economic exploitation. Finally, the process culminates in the conferment of ownership rights, allowing eligible tenants to become the legal owners.

27. (B) The right of the landowner to take back a portion of leased land strictly for personal cultivation
The right of resumption in tenancy legislation refers to the legal provision that allows a landowner to take back a portion of leased land from a tenant. This is strictly intended for the purpose of personal cultivation by the landlord. However, this clause was frequently misused as a loophole to evict tenants and bypass the objectives of tenancy protection.

28. (A) I, II and IV only
Land ceiling legislations initially provided several exemptions for plantations, religious institutions, and charitable trusts. These exemptions were intended to protect specialized agricultural activities. However, they frequently served as legal loopholes that allowed large landowners to evade redistribution. While agricultural lands were strictly regulated, lands for specialized industrial purposes were not typically subject to the same stringent ceiling limits.

29. (A) Religious Institutions - Exempted from the ceiling limits
Under early Land Ceiling Acts, religious and charitable institutions were generally granted exemptions from the prescribed holding limits. This allowed these organizations to maintain large estates despite the redistributive goals of the legislation. In contrast, other categories like tea plantations were also often exempted, rather than being strictly subjected to standard acre limits intended for typical food-crop agricultural holdings.

30. (D) A is false but R is true.
Although surplus land acquired under ceiling laws was primarily intended for distribution among Scheduled Castes, Scheduled Tribes, and the landless poor, these legislations did not successfully eradicate rural poverty or landlessness entirely. Implementation challenges, including legal delays and benami transfers, limited the amount of land actually redistributed, meaning the broader goal of absolute rural economic equity remained unfulfilled.

31. (D) Use of benami transfers to relatives
The effectiveness of Land Ceiling Acts was severely undermined by the widespread use of benami transfers. Landlords evaded the legal limits by registering surplus land in the names of relatives, servants, or even fictitious persons. This tactic allowed them to maintain de facto control over large holdings, significantly reducing the amount of surplus land available for government acquisition and redistribution.

32. (A) 2, 4, 1, 3
The procedural implementation of land ceiling laws follows a specific order. First, the authorities determine and declare the surplus land held above the legal limit. Next, this surplus land is surrendered by or acquired from the landowner. Subsequently, the land vests with the state government. Finally, the state distributes the acquired surplus land to eligible landless beneficiaries.

33. (A) P-II, Q-IV, R-I, S-III
Land reform milestones vary by region and era. The Tamil Nadu Land Reforms Act was enacted in 1961, while Operation Barga was a successful initiative for sharecroppers in West Bengal. Kerala is widely recognized for having the most successful overall land reform model in India. Meanwhile, the Urban Land Ceiling and Regulation Act was a central legislation passed in 1976.

34. (A) I, II, III and V only
Rent regulation aimed to replace customary exorbitant rents with legally defined fair rents, typically between 20% and 25% of the gross produce. This was crucial for preventing the exploitation of sharecroppers. However, implementation was not flawless, as market forces and landlord resistance often kept actual rents above the statutory limits, especially in areas with high land scarcity and demand.

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75. Which of the following is NOT typically cited as a reason for the poor performance of land ceiling and redistribution policies in India?
(A) Long legal delays and excessive litigation by landlords
(B) The massive over-availability of meticulously updated digital land records in the 1960s
(C) The widespread use of benami transactions
(D) The exceedingly high ceiling limits set in the initial legislations
(E) Answer not known

76. Identify the incorrectly matched pair regarding the assessment of land reforms:
(A) Zamindari Abolition - Most successfully implemented component
(B) Consolidation of Holdings - Highly successful nationwide uniformly
(C) Land Ceiling - Plagued by exemptions and legal loopholes
(D) Operation Barga - Successful registration of sharecroppers
(E) Answer not known

77. How does the conferment of secure tenancy rights theoretically impact agricultural productivity?
(A) It increases productivity by providing tenants the incentive to invest capital and labor into land improvements.
(B) It decreases productivity as tenants lose the guidance of absentee landlords.
(C) It causes productivity to stagnate due to over-fragmentation.
(D) It forces the immediate conversion of food crops into cash crops exclusively.
(E) Answer not known

78. Which of the following statements about the Urban Land (Ceiling and Regulation) Act, 1976 is incorrect?
(A) It was enacted to prevent the concentration of urban properties.
(B) Its implementation was hindered by massive corruption and discretionary exemptions.
(C) It successfully curbed housing shortages and lowered urban real estate prices permanently.
(D) It was eventually repealed by the Central Government and subsequently by many State Governments.
(E) Answer not known

79. What is a significant disadvantage of the lack of strong political will in the implementation of land reforms?
(A) Efficiency in bureaucratic administration
(B) Landlords donating all wealth voluntarily
(C) Faster pace of computerized land titling
(D) Landed elites stalling through litigation
(E) Answer not known

80. When comparing the Kerala and West Bengal models of land reform, which distinct feature differentiates them?
(A) Kerala focused primarily on consolidating holdings, while West Bengal focused on urban land ceilings.
(B) Kerala relied entirely on the Bhoodan movement, whereas West Bengal used strictly colonial laws.
(C) Kerala heavily emphasized abolishing landlordism and conferring ownership, while West Bengal's flagship success was securing tenancy rights (Operation Barga).
(D) Both models were absolute failures and resulted in increased landlessness.
(E) Answer not known

81. Under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (LARR) Act, 2013, what is the minimum consent requirement from affected families for acquiring land for private companies?
(A) 50 percent
(B) 80 percent
(C) 70 percent
(D) 100 percent
(E) Answer not known

82. Consider the following statements regarding the Bhoodan and Gramdan movements:
I. The Bhoodan movement was initiated by Acharya Vinoba Bhave to encourage voluntary land donation.
II. Gramdan involved the gifting of individual landholdings exclusively to the State Government for industrial use.
III. All land donated under the Bhoodan movement was highly cultivable and free

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from legal disputes.

Which of the above statement(s) is incorrect?

(A) II and III only
(B) I and II only
(C) I only
(D) III only
(E) Answer not known

83. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.

Assertion (A): Many state governments have created 'Land Banks' by acquiring large tracts of land in advance.

Reason (R): Land banks are established primarily to provide ready-to-use land to investors for industrial development, avoiding project delays.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

84. Match the key provisions of the LARR Act 2013 in List I with their descriptions in List II:

List I: (Provision of LARR Act 2013)

P. Social Impact Assessment (SIA)
Q. Consent Clause
R. Rehabilitation and Resettlement (R&R)
S. Compensation

List II: (Description)

I. Requirement of 70% or 80% agreement from affected families
II. Mandatory study to evaluate the social costs and benefits of the project
III. Multiplier factor applied to market value for rural and urban areas
IV. Mandatory provisions for housing, employment, and allowances for displaced persons

(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-IV, R-I, S-III
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

85. What does the term "Social Impact Assessment" (SIA) primarily refer to in the context of land acquisition?

(A) Identifying families and assessing costs
(B) Assessing soil fertility for crop output
(C) Evaluating industrial ecological damage
(D) Calculating corporate tax for the project
(E) Answer not known

86. Which of the following represents the correct chronological order of the major land acquisition frameworks in India?

1. Land Acquisition Act 1894
2. SEZ Act
3. LARR Act 2013

(A) SEZ Act → Land Acquisition Act 1894 → LARR Act 2013
(B) Land Acquisition Act 1894 → SEZ Act → LARR Act 2013
(C) LARR Act 2013 → Land Acquisition Act 1894 → SEZ Act
(D) Land Acquisition Act 1894 → LARR Act 2013 → SEZ Act
(E) Answer not known

87. Which of the following statements correctly identifies a key feature of the LARR Act 2013 that distinguishes it from the colonial 1894 Act?

(A) Absolute power to acquire land without pay
(B) Mandatory rehabilitation and resettlement
(C) Prohibiting all infrastructure acquisitions
(D) Removing rights to judicial appeal process
(E) Answer not known

88. Consider the following statements regarding women's land rights in India:

I. Historical inheritance laws heavily favoured male heirs, marginalizing women in land ownership.
II. Joint pattas are increasingly issued to ensure gender equity in land ownership.
III. Currently, women hold legal title to the vast majority of agricultural land in India.
IV. Early land reform legislations proactively prioritized women as primary independent beneficiaries.

Which of the above statement(s) is incorrect?

(A) I and II only
(B) II, III and IV only
(C) III and IV only
(D) I and IV only

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(E) Answer not known

89. Identify the correctly matched pair regarding consent clauses under the LARR Act 2013:
(A) Private Companies - Requires 50% consent from affected families
(B) Government projects for public purpose - Requires 100% consent from affected families
(C) Special Economic Zones - Exempted entirely from all consent requirements
(D) Public-Private Partnership (PPP) projects - Requires 70% consent from affected families
(E) Answer not known

90. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): The acquisition of land for Special Economic Zones (SEZs) often triggered widespread protests and resistance from farming communities.
Reason (R): Land acquisition for SEZs frequently involved fertile multi-crop agricultural land, leading to forced displacement and loss of livelihoods without adequate rehabilitation.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

91. A progressive feature in modern land administration aimed at promoting gender equity is the issuance of "Joint Pattas". What does this entail?
(A) Joint registration of landlord and tenant
(B) Joint registration of husband and wife
(C) Joint state and central government title
(D) Joint village panchayat and corporate title
(E) Answer not known

92. Arrange the following reform movements/ policies in the order of their historical emergence:
1. Land Acquisition Act (Colonial)
2. Bhoodan Movement
3. Special Economic Zones (SEZ) Act
4. LARR Act (Right to Fair Compensation)
(A) 1, 2, 3, 4
(B) 2, 1, 4, 3
(C) 1, 3, 2, 4
(D) 2, 3, 1, 4
(E) Answer not known

93. Match the prominent movements or concepts in List I with their core defining characteristics in List II:
List I: (Movement/Concept)
P. Bhoodan Movement
Q. Gramdan Movement
R. Land Bank
S. Eminent Domain
List II: (Core Characteristic)
I. Gifting of the entire village land to the community
II. Voluntary donation of a portion of individual land
III. The inherent power of the state to acquire private property for public use
IV. State-held land reserves allocated for industrial investment
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-IV, R-I, S-III
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

94. Consider the following statements regarding new challenges and the future of land reforms:
I. Rapid urbanization has drastically decreased the demand for agricultural land acquisition.
II. The LARR Act 2013 eliminated the financial burden of compensation on acquiring bodies.
III. Land banks are increasingly created by states to facilitate quick industrial investment.
IV. Farmer displacement and rehabilitation remain major socio-economic issues.
V. Wasteland development is entirely ignored in modern land policy frameworks.
Which of the above statement(s) is incorrect?
(A) I, II and V only
(B) I, II, III and V only
(C) II, III and IV only
(D) I, IV and V only
(E) Answer not known

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(C) III and IV only
(D) I, II and III only
(E) Answer not known

69. Identify the correctly matched pair of a prominent leader and the respective state's successful land reform implementation:
(A) EMS Namboodiripad - Kerala
(B) Vinoba Bhave - West Bengal
(C) Thomas Munro - Post-independence Punjab
(D) Lord Cornwallis - Post-independence Tamil Nadu
(E) Answer not known

70. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): Operation Barga in West Bengal significantly improved the socio-economic condition of the Bargadars (sharecroppers).
Reason (R): The mass registration drive provided them legal security of tenure and protected them from arbitrary eviction by landlords.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

71. A crucial feature determining the success of land reforms in states like Kerala and West Bengal, which was largely missing in many other states, was:
(A) Absolute lack of arable agricultural land
(B) Strong political will and peasant mobilization
(C) Reliance on voluntary land donation by owners
(D) Use of colonial-era civil servants exclusively
(E) Answer not known

72. Arrange the following states in descending order based on the generally acknowledged success and comprehensiveness of their post-independence land redistribution and tenancy reforms (Most successful to less successful):
1. Kerala
2. West Bengal
3. Bihar
(A) 1, 2, 3
(B) 2, 1, 3
(C) 3, 2, 1
(D) 1, 3, 2
(E) Answer not known

73. Match the causes of failure in land reforms in List I with their corresponding effects in List II:
List I: (Cause of Failure)
P. Benami transfers
Q. Lack of updated land records
R. Absence of political will
S. Numerous exemptions in ceiling laws
List II: (Corresponding Effect)
I. Reduced the legal availability of surplus land for redistribution
II. Allowed landlords to evade ceiling limits by registering land in fictitious names
III. Resulted in poor enforcement and widespread evasion of tenancy laws
IV. Made it practically difficult to identify true landowners and tenants
(A) P-II, Q-IV, R-III, S-I
(B) P-I, Q-III, R-IV, S-II
(C) P-II, Q-I, R-IV, S-III
(D) P-IV, Q-II, R-I, S-III
(E) Answer not known

74. Consider the following statements regarding the achievements and failures of land reforms in India:
I. They instantly eradicated rural poverty across all states.
II. They led to the complete elimination of all informal tenancy arrangements.
III. Land ceiling laws were universally successful without any protracted litigation.
IV. Statutory intermediaries like Zamindars were successfully abolished.
V. A portion of surplus land was effectively distributed to landless agricultural labourers.
Which of the above statement(s) is incorrect?
(A) I, II and III only
(B) II, III, IV and V only
(C) I, III and V only
(D) I, II, III and IV only
(E) Answer not known

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ANSWERS

1. (B) Thomas Munro
The Ryotwari system was a major land revenue arrangement in colonial India, specifically introduced in the Madras Presidency. This system established a direct settlement between the British government and the individual cultivators, known as ryots. This administrative shift aimed to eliminate intermediaries like zamindars. Thomas Munro was the primary official associated with its implementation.

2. (A) I and II only
The Zamindari system relied on intermediaries for revenue collection, while the Ryotwari system involved direct settlements between the state and cultivators in Madras and Bombay. In contrast, the Mahalwari system emphasized collective responsibility of the village community for revenue payments. Therefore, the individual responsibility characteristic mentioned for Southern India pertains to the Ryotwari model, not the Mahalwari system.

3. (A) Both A and R are true and R is the correct explanation of A.
The Zamindari system significantly contributed to peasant impoverishment due to the exploitative practices of intermediaries. These landlords often engaged in rack-renting, which involves charging excessively high rents, and absentee landlordism, where they resided far from their estates. This structure discouraged agricultural investment while maximizing the extraction of surplus from the tillers, leading to severe economic distress for farmers.

4. (A) P-IV, Q-I, R-III, S-II
Different land tenure systems served colonial interests through distinct mechanisms. The Zamindari system utilized intermediaries and absentee landlords, whereas the Ryotwari system involved direct settlements with individual cultivators. The Mahalwari system established joint responsibility within the village community. Meanwhile, the concept of economic drain refers to the continuous transfer of wealth from India to Britain during the colonial period.

5. (A) Extorting excessively high rent from tenants
Rack-renting refers to the practice where landlords extract excessively high or unreasonable rents from their tenants. This was a prevalent feature within the Zamindari system, where intermediaries aimed to maximize their surplus. Such exploitative rent levels often left cultivators with barely enough for subsistence, hindering agricultural productivity and leading to widespread rural poverty and indebtedness during the colonial era.

6. (B) Abolition of Intermediaries → Tenancy Reforms → Land Ceilings → Consolidation of Holdings
Post-independence land reforms in India followed a specific logical progression to restructure agrarian relations. The process began with the abolition of intermediaries like Zamindars to establish direct links between the state and tillers. This was followed by tenancy reforms to protect cultivators, then the imposition of land ceilings for redistribution, and finally, the consolidation of fragmented agricultural holdings.

7. (B) High degree of land concentration and widespread exploitative tenancy
Massive land concentration in the hands of a few and widespread exploitative tenancy arrangements necessitated comprehensive land reforms after independence. Colonial systems had created a small class of powerful landlords and a large population of insecure, impoverished tenants. Addressing these inequalities was essential to ensure social justice, improve agricultural productivity, and eliminate the legacy of agrarian exploitation across India.

8. (A) I, II and III only
Extreme inequality in land ownership and insecure tenancy arrangements were primary drivers for post-independence land reforms. These conditions created a large class of landless labourers and discouraged tenants from making long-term investments in land. Consequently, exploitative agrarian relations led to prolonged agricultural stagnation. Conversely, Zamindars

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95. Which of the following is NOT a mandated provision under the LARR Act 2013?
(A) Mandatory Social Impact Assessment (SIA) for acquisition
(B) Provision of comprehensive Rehabilitation and Resettlement (R&R)
(C) Payment of compensation up to four times the market value in rural areas
(D) Compulsory confiscation of surplus land without any compensation
(E) Answer not known

96. Identify the incorrectly matched pair regarding modern land challenges:
(A) SEZ - Special Economic Zone aimed at industrial growth and exports
(B) LARR 2013 - Legislation ensuring transparent land acquisition and fair compensation
(C) SIA - State Industrial Acquisition, a mechanism to bypass farmer consent
(D) Eminent Domain - Legal doctrine justifying state acquisition of private land
(E) Answer not known

97. In the context of the LARR Act 2013, why is the Social Impact Assessment (SIA) considered a necessary progressive step?
(A) Ensuring safe relocation of wildlife
(B) Assessing public purpose and impact
(C) Calculating future corporate profits
(D) Prohibiting infrastructure projects
(E) Answer not known

98. Which of the following statements regarding the outcomes of the Gramdan movement is incorrect?
(A) It aimed to promote community ownership of village lands.
(B) In many cases, the donated land remained under the practical control of the original large landowners.
(C) It struggled with complex legal issues regarding the transfer of community titles.
(D) It succeeded in permanently abolishing private property across all Indian villages.
(E) Answer not known

99. What is the primary socio-economic advantage of issuing joint pattas to women in agricultural households?
(A) Economic empowerment and credit access
(B) Right to sell land to foreign investors
(C) Total exemption from agricultural taxes
(D) Transferring physical labor to women
(E) Answer not known

100. Which of the following best classifies the core focus of the "future of land reforms" in India as distinct from post-independence era reforms?
(A) Abolishing colonial era intermediaries
(B) Introducing settlements in new states
(C) Modernizing records and managing conflict
(D) Establishing divine rights over the land
(E) Answer not known

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the extraction of maximum rent from cultivators. This lack of investment in modern tools or irrigation, combined with high rent burdens on sharecroppers, led to agricultural stagnation and discouraged any long-term improvements by the actual tillers.

18. (D) Zamindars received compensation equal to the exact current market value of their entire estates.
During the abolition of the Zamindari system, compensation was paid using various formulas that differed across states, often involving cash and bonds. To prevent legal challenges, the Constitution was amended. Importantly, the compensation provided was generally not equivalent to the full market value of the entire estates; instead, it was usually based on a multiple of net income.

19. (A) Improving efficiency and reducing cultivation costs
The consolidation of agricultural holdings provides a significant advantage by bringing scattered land parcels into a single, compact block. This arrangement improves operational efficiency and reduces the time and costs associated with cultivation. Larger, contiguous plots facilitate easier irrigation management and the use of modern machinery, ultimately enhancing the overall productivity and profitability of farming for individual agricultural households.

20. (C) Ryotwari System
Colonial land revenue systems are classified based on the nature of the settlement between the government and the parties involved. The Ryotwari system is a prime example of a direct settlement where the state dealt directly with the individual cultivators or ryots. In contrast, systems like Zamindari, Malguzari, and Taluqdari involved intermediaries who acted as middlemen for revenue collection.

21. (A) Shielding reform laws from judicial court challenges
The Ninth Schedule was introduced into the Indian Constitution by the First Amendment Act of 1951. Its primary objective was to shield progressive land reform and social welfare legislations from judicial review. By placing these laws in this schedule, the government aimed to prevent them from being challenged in courts on the grounds of violating fundamental rights, particularly property.

22. (B) I and III only
Tenancy reforms focus on protecting cultivators through security of tenure and the regulation of rent to prevent exploitation. Security of tenure shields tenants from arbitrary displacement, while ownership rights allow them to purchase land under specific conditions. However, rent regulation did not fix a uniform 80% rate; instead, laws typically aimed to limit rent to much lower levels.

23. (C) A is true but R is false.
The Ninth Schedule was indeed created to protect land reform laws from judicial interference. However, the reasoning that the original 1950 Constitution lacked property rights is incorrect. In fact, the Constitution originally included the right to property as a fundamental right under Article 19 and Article 31, which became a significant legal hurdle for redistributive land reform initiatives.

24. (A) P-III, Q-I, R-IV, S-II
Tenancy reforms involve several distinct legal concepts. Security of tenure provides protection against arbitrary displacement from leased land. Fair rent refers to legal limits on the share of produce paid to landlords. The right of resumption allows landowners to take back land for personal cultivation. Conversely, voluntary surrender often involves the coerced relinquishment of rights by tenants under pressure.

25. (D) Fictitious tenancies created by landlords to evade ceiling and tenancy laws
In the context of land reforms, Benami tenancy refers to fictitious or fraudulent tenancy agreements created by landlords. These arrangements are often made in the names of relatives or employees to evade land ceiling limits and tenancy protection laws. Such practices undermine redistribution efforts by allowing owners to maintain control over large holdings while appearing to comply with legal restrictions.

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typically extracted surplus wealth for personal gain rather than distributing it among the cultivating tenants.

9. (D) Absentee Landlord - Owner residing away from the estate
An absentee landlord is an owner who does not live on or personally manage their agricultural estate, often residing in distant cities. This practice was common under the Zamindari system and typically resulted in the neglect of land improvements. Instead, these owners focused solely on extracting maximum rent through intermediaries, which further exacerbated the exploitation of the actual cultivators.

10. (D) A is false but R is true.
While the Ryotwari system established a direct settlement between the state and cultivators for land revenue, it did not successfully eliminate agrarian exploitation or rural indebtedness. High revenue demands by the colonial government often forced ryots to borrow from moneylenders. Consequently, the direct link with the state failed to protect farmers from the cycle of debt and economic hardship.

11. (B) Joint responsibility of the village community for revenue payment
The Mahalwari system was unique because it introduced the concept of joint responsibility for land revenue payments within a village community, known as a Mahal. Unlike the individual settlements in the Ryotwari system or the permanent intermediaries in the Zamindari system, this model treated the village as a unit. The village headman or committee managed the collective revenue obligations.

12. (A) 1, 2, 3, 4
Indian land legislation evolved through several key stages starting with the First Constitutional Amendment in 1951 to protect reform laws. This was followed by state-specific measures like the Tamil Nadu Land Reforms Act in 1961. Later, the Urban Land Ceiling and Regulation Act was passed in 1976. Finally, the LARR Act of 2013 modernized the land acquisition process.

13. (A) P-III, Q-II, R-I, S-IV
Land reform components serve specific developmental objectives. The abolition of Zamindari aimed to remove intermediaries between the state and peasants. Tenancy reforms focused on providing security against arbitrary eviction. Land ceilings were designed to fix the maximum size of land ownership for redistribution. Finally, the consolidation of holdings was implemented to bring scattered agricultural plots together into a single compact block.

14. (A) I, II, III and IV only
Zamindari abolition was the initial major step in post-independence agrarian reforms, implemented through various state-level legislations. The First Constitutional Amendment of 1951 provided legal protection to these laws. This process successfully established a direct relationship between the state and cultivators. However, contrary to common misconceptions, the state did provide compensation to intermediaries for the loss of their estates.

15. (D) Subsidization of agricultural exports
Post-independence land reform policy focused on structural changes such as the abolition of intermediaries, regulation of tenancy, and fixation of land ceilings. These measures aimed to ensure social justice and improve agricultural efficiency. While agricultural exports are part of broader trade policy, they do not constitute a core component of the land reform framework designed to redistribute land rights.

16. (C) Landless Labourers - Became the largest immediate beneficiaries of Zamindari abolition
The abolition of the Zamindari system primarily benefited superior tenants who gained direct ownership rights from the state. While intermediaries were stripped of their collection rights, landless labourers were not the largest immediate beneficiaries of this specific reform. Most reforms focused on restructuring rights for existing tenants rather than providing land to those who were entirely without any holdings.

17. (B) It depressed productivity as landlords extracted maximum rent without investing in land improvement.
Absentee landlordism negatively impacted agricultural productivity because landlords lived away from their estates and lacked interest in land development. Their primary focus remained

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35. (A) Ordinary irrigated lands used for paddy cultivation by individual farmers
Early state-level Land Ceiling Acts provided exemptions for specific categories like orchards, specialized farms, and lands held by religious or charitable trusts. Sugarcane farms belonging to sugar factories were also often exempted to support industry. However, ordinary irrigated lands used for common paddy or food-crop cultivation by individual farmers were the primary targets of the ceiling limits.

36. (C) Sub-infeudation - Direct state support for tenants to lease land to sub-tenants
Sub-infeudation refers to the creation of multiple layers of intermediaries between the state and the actual cultivator, which complicated revenue collection and increased exploitation. It was not a mechanism for direct state support for leasing. Conversely, deemed purchase and fair rent were progressive measures intended to empower tenants, while voluntary surrender was often a tactic used to circumvent tenancy protections.

37. (A) Tenants surrendered rights via coercion
The practice of voluntary surrender undermined the security of tenure because it was frequently used by landlords to bypass legal protections. Instead of tenants giving up land willingly, they were often coerced or pressured into surrendering their rights. This allowed landlords to reclaim the land and evict tenants without violating the literal letter of the law, defeating reform objectives.

38. (D) A massive amount of surplus land was declared and physically distributed compared to the total arable land.
Despite land ceiling legislations, the total amount of surplus land declared and physically distributed remained quite small compared to the total arable land in India. While the definition of family units varied and benami transactions were common, the actual redistribution process was hindered by litigation and administrative delays. Consequently, the reforms did not result in a massive transfer of land.

39. (B) Shrinking surplus to defeat redistribution
The primary negative consequence of benami transfers is the significant reduction in the legal surplus land available for redistribution. By transferring land to fictitious names or relatives, landlords effectively kept holdings above the ceiling limit. This practice frustrated the core objective of land reforms, which was to acquire excess land from large owners and distribute it to the landless.

40. (C) Higher success in Zamindari abolition
When evaluating the various components of land reforms in India, the abolition of the Zamindari system is generally considered the most successful. This process effectively removed the top-tier of statutory intermediaries across most states. In contrast, tenancy reforms, land ceilings, and the consolidation of holdings faced significantly more challenges and saw varied levels of success across different regions and timeframes.

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41. (D) The laws of inheritance and succession dividing property among heirs
The problem of land fragmentation in India is fundamentally driven by the laws of inheritance and succession. As land is passed down through generations, it is continuously divided among multiple heirs. This process results in increasingly smaller and more scattered plots, which reduces the economic viability of farming and complicates the application of modern agricultural techniques and machinery.

42. (A) I and II only
Consolidation of holdings is designed to address fragmentation by merging scattered plots into compact blocks, which was notably successful in Punjab and Haryana during the Green Revolution. However, the claim that inheritance laws played no role in fragmentation is incorrect. Historically, the practice of dividing property among all heirs has been the primary cause of subdivided and scattered landholdings.

43. (A) Both A and R are true and R is the correct explanation of A.
Abolishing sub-infeudation was critical for simplifying land tenure because this practice had created numerous layers of rent-receiving intermediaries between the state and the actual tillers. Each layer extracted a share of the agricultural surplus, increasing the burden on the peasant. By removing these intermediaries, the state could establish a direct relationship

system that protects the economic rights of the landowners.

96. (C) SIA - State Industrial Acquisition, a mechanism to bypass farmer consent
Social Impact Assessment (SIA) is not a mechanism to bypass farmer consent; rather, it is a transparent process used to evaluate the social consequences of land acquisition and its public purpose. In contrast, SEZs are industrial growth zones, the LARR 2013 is a law for fair compensation, and eminent domain is the legal doctrine that justifies the state's power to acquire property.

97. (B) Assessing public purpose and impact
The Social Impact Assessment (SIA) is considered a progressive step because it mandates a rigorous evaluation of whether a proposed land acquisition serves a legitimate public purpose. It assesses the potential impact on affected communities and ensures that the social costs do not outweigh the project's benefits. This process enhances transparency and provides a factual basis for determining fair rehabilitation and resettlement.

98. (D) It succeeded in permanently abolishing private property across all Indian villages.
Although the Gramdan movement aimed to promote community ownership of land, it did not succeed in permanently abolishing private property across all Indian villages. In many instances, the donated land remained under the practical control of the original owners due to legal complexities and social hierarchies. The movement struggled with long-term implementation and the formal legal transfer of community titles to the village.

99. (A) Economic empowerment and credit access
Issuing joint pattas to women in agricultural households provides the significant advantage of economic empowerment. Legal land ownership gives women greater control over household assets and enhances their status. Crucially, it facilitates their access to institutional credit, as land title is often a prerequisite for obtaining bank loans. this helps women invest in agricultural improvements and improves the overall economic resilience of the family.

100. (C) Modernizing records and managing conflict
While post-independence reforms focused on abolishing intermediaries and redistributing land, the future of land reforms in India is centered on modernizing administration and managing conflicts. This involves the digital transformation of land records to ensure transparency and moving towards a conclusive titling system. Additionally, modern reforms address the challenges of land acquisition for urbanization and industrial development while protecting livelihoods and rights.

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signed Records of Rights, providing farmers with easily accessible and authentic documents.

53. (A) P-IV, Q-I, R-II, S-III
Tamil Nadu uses specific administrative documents for land management. A Patta is the legal document issued by the government conferring land ownership. Chitta provides details about the owner's holdings and assessments. Adangal is a record maintained by village officials detailing crops grown and yields. Lastly, the Field Measurement Book (FMB) contains sketches showing the boundaries and measurements of individual land parcels.

54. (A) I, II, IV and V only
The Tamil Nadu Land Reforms Act of 1961 established land ceilings, which were later reduced in 1970 to 15 standard acres. Surplus land acquired through these laws was distributed among landless agricultural labourers to improve their socio-economic status. However, the total amount of available surplus land was significantly reduced by various exemptions granted to religious and charitable trusts under the law.

55. (B) Mandatory confiscation of all urban properties holding over 1 acre
The Tamil Nadu Land Reforms legislation focused on the agricultural sector, aiming to fix ceilings on agricultural holdings and redistribute surplus land to the landless. Its primary goal was to prevent the concentration of rural land ownership. While there were separate urban ceiling laws, the mandatory confiscation of all urban properties over one acre was not a feature of this agricultural reform.

56. (C) Mutation - The physical process of updating records after a transfer of ownership
Mutation is the administrative and legal process of updating the land records to reflect a change in ownership, such as after a sale or inheritance. It is not a physical process but a record-keeping one. In contrast, the Record of Rights (RoR) lists ownership details, cadastral maps show physical boundaries, and spatial data refers to the geographical mapping of parcels.

57. (D) Irrigated land has higher productivity and income-generating capacity per acre than dry land.
In the Tamil Nadu land ceiling framework, the physical area limit for dry land is higher than for irrigated land when calculating standard acres. This is because irrigated land possesses significantly higher productivity and income-generating capacity per unit of area. By requiring more physical acres of dry land to meet the ceiling, the law ensures an equitable economic limit across different land types.

58. (A) It significantly reduces the per-acre cost of cultivation and increases net profits.
Fragmentation of agricultural holdings is widely recognized as a major problem because it increases the per-acre cost of cultivation and reduces net profits. Scattered plots lead to inefficient use of time, labour, and machinery, and often cause disputes over boundaries and water access. Consolidation programs were specifically designed to address these issues by creating larger, contiguous, and more efficient operational units.

59. (B) Easier record access for bank credit
Digitization of land records provides a significant advantage to farmers by simplifying the process of obtaining bank credit. Digitally signed and easily accessible Records of Rights (RoR) serve as authentic proof of ownership and encumbrance-free status. This transparency reduces the time and administrative hurdles previously required for loan processing, enabling farmers to secure agricultural financing more quickly and reliably.

60. (B) The North-Western states like Punjab and Haryana
The consolidation of land holdings achieved its most remarkable success in the North-Western states of India, specifically Punjab and Haryana. This region benefited from relatively flat terrain and a strong drive for agricultural modernization during the Green Revolution. Successful consolidation in these states facilitated the adoption of tube-well irrigation and mechanized farming, leading to a significant increase in agricultural productivity.

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61. (A) West Bengal
Operation Barga was a flagship land reform programme implemented in West Bengal starting in the late 1970s. Its primary objective was to register the names of sharecroppers, known as bargadars, in the official land records. This registration provided them with legal security of tenure and protected them from arbitrary eviction by landlords, significantly improving their social and economic standing.

62. (A) II and III only
While the abolition of the Zamindari system was largely successful in removing top-tier intermediaries, other land reform efforts faced significant hurdles. Benami transfers actually hindered the success of land ceiling laws by hiding surplus land from redistribution. Additionally, tenancy reforms were far from universal or flawless, as informal arrangements and evictions continued to persist across many states despite legal protections.

63. (C) A is true but R is false.
Kerala is renowned for implementing some of the most successful and comprehensive land reforms in India. These reforms focused on the abolition of landlordism and the conferment of ownership rights to the actual tillers. Contrary to reinforcing absentee landlordism, the Kerala model sought to eliminate it entirely by ensuring that those who cultivated the land were also its legal owners.

64. (A) P-III, Q-I, R-II, S-IV
Different Indian states achieved success in various aspects of land reform. Kerala implemented a comprehensive abolition of landlordism and redistribution. West Bengal is famous for Operation Barga, which secured sharecroppers' rights. Punjab excelled in the consolidation of agricultural holdings. Meanwhile, Tamil Nadu implemented land ceilings that were eventually amended to a limit of 15 standard acres for a family.

65. (B) Ensuring equitable urban land distribution
The primary objective of the Urban Land (Ceiling and Regulation) Act of 1976 was to ensure the equitable distribution of land in urban areas. By placing a limit on the amount of vacant land an individual or entity could hold, the act aimed to prevent the concentration of urban property and facilitate the availability of land for public housing and development.

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66. (A) Identification of Sharecroppers → Registration in Land Records → Conferring Security of Tenure
Operation Barga in West Bengal followed a systematic logical sequence to protect sharecroppers. The process began with the identification of sharecroppers through village-level meetings. Once identified, their names were formally entered into the land records during a mass registration drive. This registration culminated in conferring security of tenure, which legally protected the sharecroppers from arbitrary eviction by their landlords.

67. (A) Low volume of land redistributed
A major failure of land reforms in India is the very low volume of land that was actually acquired and redistributed. While statutory intermediaries were largely abolished, the implementation of land ceilings was hindered by legal loopholes, litigation, and benami transfers. Consequently, only a small fraction of the total arable land reached the landless labourers and marginal farmers.

68. (A) I and II only
Land reforms in India were not flawless and faced significant resistance from the landed classes, who rarely surrendered land voluntarily. Instead, many used legal loopholes and litigation to stall the process. However, it is correct that the implementation was heavily hindered by a lack of updated land records and bureaucratic apathy, which contributed to the failure of reforms in several states.

69. (A) EMS Namboodiripad - Kerala
EMS Namboodiripad was a prominent leader instrumental in the implementation of radical land reforms in Kerala. Under his leadership, the state enacted legislations that effectively abolished landlordism and redistributed land to the tillers. This model is often cited as one of the most successful examples of structural agrarian change in post-independence India, driven by strong political will and mobilization.

70. (A) Both A and R are true and R is the correct explanation of A.
Operation Barga in West Bengal was highly effective because the mass registration of sharecroppers provided them with essential legal security of tenure. By officially documenting their rights, the state protected these bargadars from arbitrary eviction and ensured they received their fair share of the produce. This legal recognition significantly improved their socio-economic conditions and increased their bargaining power against landlords.

71. (B) Strong political will and peasant mobilization
The success of land reforms in Kerala and West Bengal is largely attributed to strong political will and the active mobilization of the peasantry. Unlike in many other states where reforms were hindered by administrative apathy, these states saw proactive government intervention supported by organized grassroots movements. This combination ensured that laws were not only passed but also effectively implemented on the ground.

72. (A) 1, 2, 3
When comparing the success of post-independence land reforms, Kerala and West Bengal are generally ranked the highest due to their comprehensive implementation of tenancy protections and redistribution. Kerala focused on abolishing landlordism, while West Bengal excelled in securing sharecroppers' rights. In contrast, Bihar is often cited as a state where reforms were less successful due to entrenched social and political resistance.

73. (A) P-II, Q-IV, R-III, S-I
Various factors contributed to the failure of land reforms. Benami transfers allowed landlords to evade ceiling limits using fictitious names. A lack of updated land records made it difficult for authorities to identify true owners and tenants. The absence of strong political will led to poor enforcement of existing laws. Finally, numerous exemptions in ceiling legislations significantly reduced the land available for redistribution.

74. (A) I, II and III only
While land reforms successfully abolished statutory intermediaries like Zamindars and redistributed some surplus land, they did not instantly eradicate rural poverty or eliminate all informal tenancy. Land ceiling laws were often entangled in protracted litigation and were not universally successful across all states. Many regions continued to face challenges with landlessness and exploitative agrarian relations despite the legislative framework in place.

75. (B) The massive over-availability of meticulously updated digital land records in the 1960s
The poor performance of land redistribution policies was largely due to long legal delays, widespread benami transactions, and high initial ceiling limits. A major hindrance was the actual lack of accurate and updated land records during that era. Digital records did not exist in the 1960s, and the manual record-keeping system was often manipulated by powerful landed interests to evade reforms.

76. (B) Consolidation of Holdings - Highly successful nationwide uniformly
The consolidation of agricultural holdings was not uniformly successful across the entire country. While it achieved significant results in North-Western states like Punjab and Haryana, many other regions struggled with implementation due to topographical and social factors. In contrast, Zamindari abolition is seen as the most successful component, and land ceilings are noted for being plagued by legal loopholes and exemptions.

77. (A) It increases productivity by providing tenants the incentive to invest capital and labor into land improvements.
Conferring secure tenancy rights theoretically increases agricultural productivity by providing tenants with the necessary incentive to invest capital and labour into land improvements. When tenants are certain that they will not be arbitrarily evicted, they are more likely to adopt modern farming practices and maintain the long-term fertility of the soil, which leads to better yields and higher overall output.

78. (C) It successfully curbed housing shortages and lowered urban real estate prices permanently.
The Urban Land (Ceiling and Regulation) Act of 1976 was enacted to prevent land concentration in cities, but its implementation was severely hindered by corruption and discretionary exemptions. Contrary to lowering prices, the

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act often restricted the supply of land for development, which contributed to housing shortages and rising real estate costs. It was eventually repealed because it failed to achieve its objectives.

79. (D) Landed elites stalling through litigation
A significant disadvantage of lacking strong political will is that it allows landed elites to stall land reforms through prolonged litigation and administrative obstruction. Without proactive government enforcement, wealthy owners can exploit legal loopholes and the slow pace of the judiciary to maintain control over their estates. This effectively prevents the timely acquisition and redistribution of surplus land to the intended beneficiaries.

80. (C) Kerala heavily emphasized abolishing landlordism and conferring ownership, while West Bengal's flagship success was securing tenancy rights (Operation Barga).
A distinct difference between the Kerala and West Bengal models of land reform is their primary focus. Kerala heavily emphasized the abolition of landlordism and the conferment of full ownership rights to the actual tillers of the soil. In contrast, West Bengal's flagship achievement was Operation Barga, which focused primarily on securing the tenancy rights and legal status of sharecroppers.

81. (B) 80 percent
The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (LARR) Act of 2013 introduced strict consent requirements. For land being acquired for private companies, the law mandates the consent of at least 80 percent of the affected families. This provision aims to ensure that land is not forcibly taken without a high degree of community agreement.

82. (A) II and III only
The Bhoodan movement, initiated by Acharya Vinoba Bhave, sought voluntary land donations, but much of the donated land was of poor quality or legally disputed. Gramdan involved gifting land to the village community for collective management, not to the state government for industrial use. These movements relied on moral persuasion rather than legislation, which limited their overall impact on agrarian structural change.

83. (A) Both A and R are true and R is the correct explanation of A.
Many state governments have established land banks by acquiring large tracts of land in advance to facilitate industrial growth. These banks act as ready-to-use reserves that can be quickly allocated to investors, thereby avoiding the long delays often associated with individual land acquisition processes. This strategy aims to create a more attractive environment for industrial investment while streamlining developmental projects.

84. (A) P-II, Q-I, R-IV, S-III
The LARR Act of 2013 includes several critical provisions for transparent land acquisition. Social Impact Assessment (SIA) evaluates the project's costs and benefits. The Consent Clause requires specific agreement levels from affected families. Rehabilitation and Resettlement (R&R) mandates provisions for housing and employment. Finally, compensation is calculated using a multiplier factor applied to market values to ensure fairness for displaced persons.

85. (A) Identifying families and assessing costs
Social Impact Assessment (SIA) is a mandatory study conducted under the LARR Act of 2013 before land is acquired. Its primary purpose is to identify all affected families and assess the social and economic costs of the project. The SIA helps determine if the acquisition serves a genuine public purpose and ensures that the potential negative impacts are properly understood and mitigated.

86. (B) Land Acquisition Act 1894 → SEZ Act → LARR Act 2013
India's land acquisition framework has transitioned from colonial to modern legislations. The process began with the Land Acquisition Act of 1894, which gave the state broad powers. Later, the Special Economic Zones (SEZ) Act was introduced in 2005 to promote industrial zones. Finally, the LARR Act of 2013 was enacted to ensure fair compensation, transparency, and mandatory rehabilitation for affected people.

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87. (B) Mandatory rehabilitation and resettlement
A key feature that distinguishes the LARR Act of 2013 from the colonial-era Land Acquisition Act of 1894 is the mandatory provision for rehabilitation and resettlement (R&R). While the 1894 Act focused primarily on the state's power to acquire land with minimal compensation, the 2013 Act ensures that displaced persons receive comprehensive support, including housing and employment, to restore their livelihoods.

88. (C) III and IV only
Historical land ownership in India has been heavily skewed towards male heirs due to patriarchal inheritance laws. Currently, women hold legal title to only a small fraction of agricultural land. Early land reform legislations largely ignored gender equity and did not prioritize women as independent beneficiaries. However, modern policies like the issuance of joint pattas are now being implemented to address this imbalance.

89. (D) Public-Private Partnership (PPP) projects - Requires 70% consent from affected families
Under the LARR Act of 2013, the consent requirements vary based on the nature of the project. For Public-Private Partnership (PPP) projects, the acquisition of land requires the consent of at least 70 percent of the affected families. This is slightly lower than the 80 percent requirement for purely private company projects, but it still ensures a significant level of community approval.

90. (A) Both A and R are true and R is the correct explanation of A.
Land acquisition for Special Economic Zones (SEZs) frequently triggered intense protests because it often targeted fertile, multi-crop agricultural land. This led to the forced displacement of farming communities and the loss of traditional livelihoods. The lack of adequate rehabilitation and resettlement measures further fueled resistance, as farmers feared that the compensation would not be sufficient to sustain them in the long term.

91. (B) Joint registration of husband and wife
Joint pattas refer to the practice of registering agricultural land in the names of both husband and wife. This policy is a progressive step aimed at promoting gender equity and empowering women within the household. By providing women with a legal share in land ownership, joint pattas enhance their economic security, increase their bargaining power, and facilitate easier access to institutional credit.

92. (A) 1, 2, 3, 4
The evolution of land-related movements and policies in India follows a distinct historical timeline. It began with the colonial Land Acquisition Act of 1894. Following independence, the voluntary Bhoodan Movement was launched in 1951. Decades later, the Special Economic Zones (SEZ) Act was enacted in 2005. This was finally followed by the comprehensive LARR Act of 2013 to modernize acquisition and compensation.

93. (A) P-II, Q-I, R-IV, S-III
Various concepts define Indian land policy and movements. The Bhoodan movement involved individual voluntary donations. Gramdan was a higher stage where entire villages gifted land to the community. Land banks are state-held reserves intended to facilitate industrial investment. Finally, eminent domain is the legal doctrine that describes the inherent power of the state to acquire private property for public use.

94. (A) I, II and V only
Rapid urbanization has actually increased the demand for agricultural land acquisition for infrastructure and housing. The LARR Act of 2013 did not eliminate the financial burden of compensation; rather, it increased it to ensure fairness. Furthermore, modern policy frameworks do include measures for wasteland development. Farmer displacement and the creation of land banks remain central issues in current land management.

95. (D) Compulsory confiscation of surplus land without any compensation
The LARR Act of 2013 is designed to ensure fairness and transparency, mandating Social Impact Assessments, comprehensive rehabilitation and resettlement, and significantly higher compensation rates. It does not allow for the compulsory confiscation of land without any payment. In fact, the act was specifically created to replace such arbitrary practices with a

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with the cultivators and reduce overall rural exploitation.

44. (A) P-II, Q-IV, R-I, S-III
The Digital India Land Records Modernisation Programme focuses on several integrated components. Computerisation involves digitizing textual records and updates. Survey and resurvey use modern technology to update spatial records and maps. Computerisation of registration integrates property deeds with the registry. Finally, modern record rooms are established for the safe preservation and easy retrieval of remaining physical land documents and records.

45. (A) Digital India Land Records Modernisation Programme
DILRMP stands for the Digital India Land Records Modernisation Programme. This central government initiative aims to modernize land records management, minimize the scope of land disputes, and enhance transparency in the land maintenance system. It focuses on the end-to-end computerisation of records, including textual data, spatial maps, and registration processes, to move towards a conclusive land titling system.

46. (C) 30 standard acres → 15 standard acres
In Tamil Nadu, the legal limit for land ownership was revised downwards to promote more equitable distribution. The original ceiling limit established under the 1961 legislation was 30 standard acres for a family unit. This limit was subsequently reduced to 15 standard acres through an amendment in 1970, reflecting the state's effort to increase the availability of surplus land.

47. (D) The original ceiling limit for a family of five was fixed at 30 standard acres.
The Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act of 1961 was a landmark piece of legislation. It initially fixed the ceiling limit for a family of up to five members at 30 standard acres. This standard acre concept accounted for differences in land quality and irrigation, ensuring that the ceiling was applied fairly across diverse agricultural zones.

48. (A) I, II and IV only
The objectives of the DILRMP include the complete computerisation of textual and spatial land records and the integration of registration with maintenance. A major goal is transitioning to a conclusive titling system to provide guaranteed ownership. Contrary to restricting access, the programme aims to enhance transparency and public accessibility to land records to reduce litigation and facilitate easier property transactions.

49. (B) Dry Land - Requires more physical acres to equal one standard acre compared to fertile irrigated land
In the Tamil Nadu land ceiling framework, the "standard acre" is a unit of measurement used to equalize lands of varying quality. Because dry land has lower productivity and income potential than fertile irrigated land, it requires a larger physical area to equal one standard acre. This ensures that the ceiling limit is applied equitably based on the land's value.

50. (C) A is true but R is false.
While the consolidation of land holdings was highly successful in Northern states like Punjab and Haryana, the same level of success was not achieved uniformly across South India. In states like Tamil Nadu, consolidation efforts did not result in the complete reorganization of all agricultural holdings by 1980. Factors such as local topography and traditional land patterns made implementation more complex.

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51. (A) State-guaranteed title with dispute compensation
Conclusive titling refers to a land ownership system where the state provides a guaranteed title to the owner. This system replaces the presumptive titling model, where ownership is based on possession and registered deeds. Under conclusive titling, the government takes responsibility for the accuracy of the record, and the title is considered absolute evidence of ownership, reducing disputes and litigation.

52. (A) 1, 3, 4, 2
The end-to-end computerisation of land records involves a systematic process starting with the data entry of legacy textual records. This is followed by the digitization of cadastral maps to create spatial data. These two components are then integrated to ensure consistency. The process concludes with the issuance of digitally

CHAPTER 11

Agriculture in India: Structure, Challenges and Policy

1. What is the defined landholding size for a "Marginal Farmer" in the Indian agricultural classification?
(A) Less than 1 hectare
(B) 1 to 2 hectares
(C) 2 to 4 hectares
(D) More than 10 hectares
(E) Answer not known

2. Consider the following statements regarding cropping seasons in India:
I. Kharif crops are sown with the onset of the monsoon and harvested in October.
II. Wheat and mustard are the primary examples of Kharif crops.
III. Zaid crops are short-duration summer crops grown mainly between the Rabi and Kharif seasons.
Which of the above statements are correct?
(A) I and II
(B) I and III
(C) Only I
(D) Only III
(E) Answer not known

3. Match the crops in List I with their standard cropping seasons in List II:
List I: Crops
P. Rice
Q. Wheat
R. Watermelon
S. Cotton
List II: Cropping Seasons
I. Rabi
II. Zaid
III. Kharif
IV. Kharif (Cash Crop)
(A) P-III, Q-I, R-II, S-IV
(B) P-I, Q-III, R-IV, S-II
(C) P-III, Q-II, R-I, S-IV
(D) P-IV, Q-I, R-II, S-III
(E) Answer not known

4. Which of the following pairs of a crop and its largest producing state is correctly matched?
(A) Rice - Punjab
(B) Jute - Gujarat
(C) Cotton - West Bengal
(D) Sugarcane - Uttar Pradesh
(E) Answer not known

5. What defines "Intensive Subsistence Farming" in the context of Indian agriculture?
(A) Large-scale commercial estates utilizing high-tech automation and minimal manual labor
(B) High-density farming using intensive labor and chemical inputs for maximum yields
(C) Single-crop focus on high-value products primarily cultivated for international markets
(D) Traditional forest clearing and residue burning for short-term nutrient-based cultivation
(E) Answer not known

6. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The Green Revolution initially led to regional disparities in India's agricultural growth.
Reason (R): High Yielding Variety (HYV) seeds required assured irrigation, which was concentrated in states like Punjab, Haryana, and western Uttar Pradesh.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.

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(D) A is false but R is true.
(E) Answer not known

7. Consider the following statements regarding the PM-KISAN scheme:
I. It provides an income support of ₹6,000 per year to eligible farmer families.
II. The financial benefit is directly transferred to the bank accounts of beneficiaries.
III. Only farmers holding more than 5 hectares of land are eligible for this scheme.
IV. The amount is distributed in four equal installments of ₹1,500 each.
Which of the above statements are incorrect?
(A) I, II and III
(B) I, II and IV
(C) I and II
(D) III and IV
(E) Answer not known

8. Select the correct sequence of categories representing agricultural landholding sizes in India, arranged from the largest average size to the smallest.
(A) Large, Medium, Semi-medium, Small, Marginal
(B) Medium, Large, Small, Semi-medium, Marginal
(C) Large, Semi-medium, Medium, Marginal, Small
(D) Semi-medium, Large, Medium, Small, Marginal
(E) Answer not known

9. Which of the following statements about groundwater irrigation in India is correct?
(A) It accounts for less than 10 percent of the total area under irrigation in India.
(B) It is the primary irrigation source, utilizing shallow tubewells and open wells.
(C) It is immune to overexploitation because groundwater reserves replenish very rapidly.
(D) Its usage is strictly prohibited in the northern alluvial plains of the country.
(E) Answer not known

10. Consider the following institutions or schemes:
I. Food Corporation of India (FCI)
II. National Bank for Agriculture and Rural Development (NABARD)
III. National Food Security Act (NFSA)
IV. Pradhan Mantri Fasal Bima Yojana (PMFBY)
Which of the following represents the correct chronological order of their establishment or launch?
(A) I, II, III, IV
(B) II, I, IV, III
(C) I, III, II, IV
(D) II, IV, I, III
(E) Answer not known

11. The United Nations declared which year as the "International Year of Millets" following a proposal by the Government of India?
(A) 2021
(B) 2022
(C) 2023
(D) 2024
(E) Answer not known

12. Consider the following statements regarding the Swaminathan Commission (National Commission on Farmers):
I. It is officially known as the National Commission on Farmers.
II. It recommended that the Minimum Support Price (MSP) should be at least 50 percent more than the weighted average cost of production.
III. The recommended cost formula for MSP is strictly A2 without family labour.
IV. M.S. Swaminathan is widely regarded as the principal architect of India's Green Revolution.
V. The commission addressed strategies to mitigate farmer distress and prevent suicides.
Which of the above statements are correct?
(A) I, II, III and IV
(B) I, II, IV and V
(C) I, III and V
(D) II, IV and V
(E) Answer not known

13. Match the agricultural schemes in List I with their primary objectives in List II:
List I: Agricultural Schemes
P. e-NAM
Q. PMFBY
R. PM-KISAN
S. PKVY

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List II: Primary Objectives
I. Direct income support
II. Promotion of organic farming
III. Crop insurance coverage
IV. Electronic agricultural trading portal
(A) P-IV, Q-III, R-I, S-II
(B) P-III, Q-IV, R-II, S-I
(C) P-I, Q-II, R-III, S-IV
(D) P-IV, Q-II, R-I, S-III
(E) Answer not known

14. Which of the following pairs of irrigation source and its dominant region is incorrectly matched?
(A) Tank Irrigation - Peninsular India (Tamil Nadu, Andhra Pradesh)
(B) Canal Irrigation - Northern Plains (Uttar Pradesh, Punjab)
(C) Inundation Canals - Hilly regions of North-East India
(D) Tubewell Irrigation - North-Western India
(E) Answer not known

15. Which of the following is an incorrect statement regarding the Public Distribution System (PDS) under the National Food Security Act (NFSA) 2013?
(A) NFSA legally entitles up to 75% of the rural population to receive subsidized food grains.
(B) State governments bear the entire cost of procuring food grains from farmers without central assistance.
(C) Antyodaya Anna Yojana (AAY) households receive 35 kg of food grains per family per month.
(D) The Act eliminates the distinction between BPL and APL households, creating a uniform targeted priority category.
(E) Answer not known

16. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Cultivation of pulses is actively promoted in Indian agricultural policy to ensure nutritional security.
Reason (R): Pulses are leguminous crops that help in restoring soil fertility by fixing atmospheric nitrogen.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

17. Consider the following statements concerning agriculture in Tamil Nadu:
I. The Tamil Nadu Agricultural University (TNAU) is headquartered in Chennai.
II. The Cauchy delta region is historically referred to as the rice bowl of Tamil Nadu.
III. Kuruvai, Samba, and Thaladi are major cropping seasons in the state.
Which of the above statements are correct?
(A) I and II
(B) II and III
(C) Only I
(D) Only II
(E) Answer not known

18. Select the correct sequence of stages in the traditional agricultural marketing channel, from production to ultimate consumption.
(A) Farmer, Village Trader, Commission Agent, Wholesaler, Retailer, Consumer
(B) Farmer, Wholesaler, Village Trader, Retailer, Commission Agent, Consumer
(C) Farmer, Retailer, Commission Agent, Wholesaler, Village Trader, Consumer
(D) Farmer, Commission Agent, Retailer, Village Trader, Wholesaler, Consumer
(E) Answer not known

19. What is the primary objective of the "One Nation One Ration Card" (ONORC) scheme?
(A) Enabling nationwide portability of food security benefits for migrant laborers
(B) Centralizing all local ration outlets under a single administrative federal agency
(C) Enforcing a uniform single-crop distribution policy for all national PDS outlets
(D) Converting all physical grain handouts into digital direct bank cash transfers
(E) Answer not known

20. Consider the following sources of irrigation:
I. Tubewells and other wells
II. Canals
III. Tanks
IV. Other sources (including drip/sprinkler)

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(E) Answer not known

74. Which of the following best describes the core focus of the "Second Green Revolution" in India?
(A) Introducing purely GM crops across western states without trials
(B) Sustainable rainfed growth focusing on Eastern India and pulses
(C) Shifting grain production entirely toward floriculture for export
(D) Closing agricultural research institutes to end state subsidies
(E) Answer not known

75. Match the agricultural research institutions in List I with their headquarters in List II:
List I: Agricultural Research Institutions
P. Indian Council of Agricultural Research (ICAR)
Q. Tamil Nadu Agricultural University (TNAU)
R. Central Rice Research Institute (CRRI)
S. Central Food Technological Research Institute (CFTRI)
List II: Headquarters
I. Cuttack
II. Coimbatore
III. New Delhi
IV. Mysore
(A) P-III, Q-II, R-I, S-IV
(B) P-II, Q-III, R-IV, S-I
(C) P-III, Q-IV, R-I, S-II
(D) P-I, Q-II, R-III, S-IV
(E) Answer not known

76. Which of the following pairs of an agricultural term and its associated aspect is correctly matched?
(A) White Rust - Disease affecting Rice
(B) Blast - Disease affecting Sugarcane
(C) Yellow Vein Mosaic - Disease affecting Okra (Bhindi)
(D) Red Rot - Disease affecting Wheat
(E) Answer not known

77. The term "Fair and Remunerative Price" (FRP) is structurally associated with the procurement and pricing of which crop?
(A) Wheat
(B) Cotton
(C) Jute
(D) Sugarcane
(E) Answer not known

78. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Zaid crops are short-duration summer crops cultivated between the Rabi and Kharif seasons.
Reason (R): Examples of Zaid crops include watermelon, cucumber, and certain vegetables.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

79. Under the Pradhan Mantri Fasal Bima Yojana (PMFBY), what is the maximum premium payable by farmers for Kharif food and oilseed crops?
(A) 1.5% of sum insured
(B) 2% of sum insured
(C) 5% of sum insured
(D) 10% of sum insured
(E) Answer not known

80. Which of the following is an incorrect statement about the Kisan Credit Card (KCC) scheme?
(A) It was introduced in 1998 to provide timely credit support to farmers.
(B) It covers short-term credit requirements for cultivation of crops and post-harvest expenses.
(C) The scheme has been extended to cover farmers engaged in animal husbandry and fisheries.
(D) The scheme is implemented only by foreign commercial banks in India.
(E) Answer not known

81. What is the agricultural policy significance of classifying crops like jowar, bajra, and ragi as "Nutri-cereals"?
(A) Promoting nutritional value, climate resilience, and food security
(B) Imposing high cultivation taxes to discourage local consumption

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Corporations Act 1964.
II. Its primary duty is the procurement, storage, and distribution of food grains.
III. It plays a critical role in maintaining buffer stocks for national food security.
IV. It operates entirely under the Ministry of Agriculture and Farmers Welfare.
V. It facilitates the public distribution system by allocating grains to state governments.
Which of the above statements are correct?
(A) I, II, III and V
(B) I, II, IV and V
(C) I, III and IV
(D) II, III and V
(E) Answer not known

28. Select the correct sequence of water requirements for the following crops from highest to lowest.
(A) Sugarcane, Rice, Wheat, Millets
(B) Rice, Wheat, Sugarcane, Millets
(C) Sugarcane, Wheat, Rice, Millets
(D) Rice, Sugarcane, Millets, Wheat
(E) Answer not known

29. In the context of MSP recommendations by the Swaminathan Commission, what does the formula "C2" represent?
(A) Basic paid-out costs for essential seeds and fertilizers.
(B) Paid-out costs plus value of labor from family members.
(C) Global crop prices adjusted for local logistics and freight.
(D) Total costs including labor, land rent, and capital interest.
(E) Answer not known

30. Consider the following cost formulas used by the CACP:
I. C2
II. A2
III. A2 + FL
Which of the following represents the correct ascending order of their comprehensiveness (from narrowest to broadest coverage of costs)?
(A) II, III, I
(B) I, II, III
(C) III, II, I
(D) II, I, III
(E) Answer not known

31. Which of the following statements about the horticulture sector in India is correct?
(A) The horticulture sector has consistently recorded lower total production volumes than food grains in recent years.
(B) Horticulture crops typically yield higher value per unit area compared to traditional food grains.
(C) India is the absolute largest producer of both fruits and vegetables globally, surpassing China.
(D) The National Horticulture Mission focuses strictly on providing free electricity to fruit growers.
(E) Answer not known

32. Consider the following statements regarding Farmer Producer Organisations (FPOs) in India:
I. The Central Government launched a dedicated scheme to form and promote 10,000 new FPOs.
II. FPOs enable small and marginal farmers to achieve economies of scale and better bargaining power.
III. FPOs are strictly charitable organizations and are prohibited from engaging in commercial activities.
Which of the above statements are correct?
(A) I and II
(B) I and III
(C) Only I
(D) Only II
(E) Answer not known

33. Match the crops in List I with their predominant commercial categories in List II:
List I: Crops
P. Cotton
Q. Sugarcane
R. Groundnut
S. Tea
List II: Commercial Categories
I. Plantation Crop
II. Fiber Crop
III. Sugar Crop
IV. Oilseed Crop
(A) P-II, Q-III, R-IV, S-I
(B) P-III, Q-II, R-I, S-IV
(C) P-II, Q-IV, R-III, S-I
(D) P-I, Q-III, R-IV, S-II
(E) Answer not known

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34. Which of the following pairs of farming type and its key characteristic is incorrectly matched?
(A) Subsistence Farming - Production primarily for household consumption
(B) Plantation Farming - Single crop grown on a large contiguous area
(C) Extensive Farming - High input of capital and labour per unit of land
(D) Commercial Farming - High use of modern inputs to achieve higher yields for the market
(E) Answer not known

35. Which of the following best describes the concept of a "Buffer Stock" in Indian agriculture?
(A) Government grain reserves for food security and price stabilization
(B) Low-quality seed batches distributed to small marginal landowners
(C) Surplus yields intended for export to neighboring trade partners
(D) Bank financial reserves used for relief during climate disasters
(E) Answer not known

36. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The initial phase of the Green Revolution was uniformly successful across all states in India.
Reason (R): The Green Revolution primarily benefited regions with assured irrigation facilities, leaving dryland agriculture largely unaffected.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

37. Consider the following statements regarding Drip and Sprinkler irrigation:
I. They are considered forms of micro-irrigation.
II. They result in lower water use efficiency compared to conventional flood irrigation.
III. They are actively promoted under the Pradhan Mantri Krishi Sinchai Yojana (PMKSY).
IV. Drip irrigation completely eliminates all forms of evaporation and deep percolation losses.
Which of the above statements are incorrect?
(A) I, II and III
(B) I, III and IV
(C) I and III
(D) II and IV
(E) Answer not known

38. Select the correct historical sequence of agricultural reforms and laws from earliest to latest.
(A) Establishment of APMC Acts, Introduction of e-NAM, Enactment of Farm Laws 2020, Repeal of Farm Laws
(B) Introduction of e-NAM, Establishment of APMC Acts, Enactment of Farm Laws 2020, Repeal of Farm Laws
(C) Establishment of APMC Acts, Enactment of Farm Laws 2020, Introduction of e-NAM, Repeal of Farm Laws
(D) Enactment of Farm Laws 2020, Repeal of Farm Laws, Establishment of APMC Acts, Introduction of e-NAM
(E) Answer not known

39. Which institutional mechanism was introduced in 1998 to provide adequate and timely short-term credit to farmers for their cultivation needs?
(A) Krishi Vigyan Kendras
(B) Paramparagat Krishi Vikas Yojana
(C) Pradhan Mantri Fasal Bima Yojana
(D) Kisan Credit Card (KCC) scheme
(E) Answer not known

40. Consider the following three major cropping seasons of India:
I. Zaid
II. Kharif
III. Rabi
Which of the following represents the correct sequential order as they occur, starting from the onset of the monsoon?
(A) II, III, I
(B) I, II, III
(C) III, I, II
(D) II, I, III

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(E) Answer not known

41. The national policy on "ethanol blending" strongly relies on the surplus production of which major agricultural crop?
(A) Cotton
(B) Sugarcane
(C) Jute
(D) Mustard
(E) Answer not known

42. Consider the following statements concerning the Pradhan Mantri Fasal Bima Yojana (PMFBY):
I. It aims to provide comprehensive insurance cover against crop failure due to non-preventable risks.
II. The farmer's premium rate is fixed at 2% for all Kharif crops.
III. The farmer's premium rate is fixed at 1.5% for all Rabi crops.
IV. The farmer's premium rate is 10% for annual commercial and horticultural crops.
V. It encourages the use of technology like smartphones and drones for rapid estimation of crop losses.
Which of the above statements are correct?
(A) I, II, III and V
(B) I, II, IV and V
(C) I, III and IV
(D) II, IV and V
(E) Answer not known

43. Match the Indian states in List I with their prominent agricultural characteristics in List II:
List I: Indian States
P. Uttar Pradesh
Q. Maharashtra
R. Madhya Pradesh
S. West Bengal
List II: Agricultural Characteristics
I. Largest producer of Rice
II. Largest producer of Sugarcane
III. Leading producer of Pulses and Soybean
IV. Leading producer of Cotton and Onion
(A) P-II, Q-IV, R-III, S-I
(B) P-I, Q-III, R-II, S-IV
(C) P-III, Q-I, R-IV, S-II
(D) P-IV, Q-II, R-I, S-III
(E) Answer not known

44. Which of the following pairs regarding Tamil Nadu's agriculture is correctly matched?
(A) Samba - Summer crop grown only in March
(B) Thaladi - Dryland farming without any irrigation
(C) Kuruvai - Short duration crop sown in June/July
(D) TNAU - Apex body for fisheries research in India
(E) Answer not known

45. In which year was the National Bank for Agriculture and Rural Development (NABARD) established as an apex development bank?
(A) 1965
(B) 1982
(C) 1991
(D) 2000
(E) Answer not known

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46. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Tank irrigation is highly prevalent and historically significant in the South Indian states, particularly Tamil Nadu.
Reason (R): The undulating terrain and hard rock structure of the Deccan Plateau make digging canals and deep wells difficult.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

47. Consider the following statements regarding the concept of the "Second Green Revolution":
I. It focuses exclusively on maximizing wheat production in Punjab and Haryana.
II. It promotes the cultivation of pulses and millets to ensure nutritional security.
III. It aims to extend agricultural growth to the Eastern Indian states.
Which of the above statements are incorrect?
(A) I and II
(B) II and III
(C) Only I
(D) Only III

(E) Answer not known

48. Select the correct sequence representing the progression of a crop variety from research to field adoption.
(A) Seed Production, Research and Breeding, Field Trials, Certification, Distribution
(B) Research and Breeding, Field Trials, Certification, Seed Production, Distribution
(C) Certification, Research and Breeding, Seed Production, Field Trials, Distribution
(D) Field Trials, Certification, Distribution, Seed Production, Research and Breeding
(E) Answer not known

49. What defines "Fallow Land" in India's land use pattern?
(A) Land left uncultivated temporarily to restore its natural fertility
(B) Forested areas designated for permanent environmental conservation
(C) Real estate used for industrial centers or residential development
(D) Inarable terrain unsuitable for farming due to high salinity
(E) Answer not known

50. Consider the following states:
I. West Bengal
II. Uttar Pradesh
III. Punjab
Which of the following represents the correct descending order of these states based on their total production of Rice in recent years?
(A) I, II, III
(B) II, I, III
(C) III, II, I
(D) I, III, II
(E) Answer not known

51. What was a major disadvantage of the traditional APMC (Agricultural Produce Market Committee) mandi system before modern reforms were introduced?
(A) Limited competition by mandating sales through licensed agents in yards
(B) Excessive variety of direct market pathways for small-scale growers
(C) Total elimination of market duties resulting in fiscal revenue deficits
(D) Corporate land seizures allowed under local municipal bylaws
(E) Answer not known

52. Match the agricultural terminology in List I with its description in List II:
List I: Agricultural Terminology
P. Net Sown Area
Q. Gross Cropped Area
R. Culturable Waste
S. Current Fallow
List II: Descriptions
I. Land left uncultivated for the current agricultural year
II. Total area sown once or more than once in a particular year
III. Physical extent of land on which crops are sown and harvested
IV. Land available for cultivation but not cultivated for more than five years
(A) P-III, Q-II, R-IV, S-I
(B) P-II, Q-III, R-I, S-IV
(C) P-III, Q-IV, R-II, S-I
(D) P-IV, Q-I, R-III, S-II
(E) Answer not known

53. Which of the following pairs of an agricultural input subsidy and its characteristic is correctly matched?
(A) Fertilizer Subsidy - Borne entirely by the State Governments
(B) Power Subsidy - Provided primarily by State Governments for agricultural pump sets
(C) Seed Subsidy - Managed exclusively by the World Trade Organization
(D) Credit Subsidy - Disbursed directly in foreign currency to farmers
(E) Answer not known

54. Which of the following statements about agricultural credit in India is correct?
(A) Institutional credit accounts for less than 10% of total agricultural borrowing in India.
(B) NABARD provides direct, short-term cash loans to individual farmers.
(C) The Kisan Credit Card (KCC) scheme provides farmers with flexible credit for purchasing inputs and post-harvest expenses.
(D) Moneylenders offer loans at lower interest rates compared to cooperative banks.
(E) Answer not known

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55. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): The Minimum Support Price (MSP) acts as a legal guarantee ensuring that the government buys all produce grown by every farmer in India.

Reason (R): MSP is designed to serve as a floor price to protect farmers from distress sales during bumper harvests.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

56. Consider the following statements concerning Organic and Natural Farming in India:

I. Paramparagat Krishi Vikas Yojana (PKVY) aims to promote organic farming.
II. Zero Budget Natural Farming (ZBNF) heavily relies on synthetic chemical fertilizers.
III. Sikkim was recognized as India's first fully organic state.
IV. Organic certification under PKVY is facilitated by the Participatory Guarantee System (PGS).

Which of the above statements are correct?
(A) I, II and III
(B) I, III and IV
(C) I and II
(D) III and IV
(E) Answer not known

57. Consider the following statements regarding Agricultural Markets in India:

I. Agriculture is a State subject; hence, APMCs are established and regulated by State Governments.
II. The Central Government introduced the Model APMC Act to encourage states to reform their agricultural marketing.
III. The APMC system legally permits farmers to bypass all state taxes and directly sell to international markets.

Which of the above statements are correct?
(A) I and II
(B) II and III
(C) Only I
(D) Only III
(E) Answer not known

58. Which institution functions as the apex body for coordinating, guiding, and managing agricultural research and education in India?
(A) Commission for Agricultural Costs and Prices (CACP)
(B) Indian Council of Agricultural Research (ICAR)
(C) Food Corporation of India (FCI)
(D) National Bank for Agriculture and Rural Development (NABARD)
(E) Answer not known

59. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): The Government of India has actively promoted the policy of blending ethanol with petrol.

Reason (R): Ethanol blending helps reduce crude oil import dependency, lowers carbon emissions, and provides a market for excess sugarcane production.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

60. Consider the following statements regarding Tamil Nadu's agriculture and related policies:

I. Tamil Nadu follows a strictly targeted PDS that entirely excludes Above Poverty Line (APL) families.
II. Kuruvai and Samba are the major rice-growing seasons in the state.
III. Tamil Nadu has achieved 100% canal irrigation across all its dryland districts.
IV. The state promotes cooperative farming to assist small and marginal farmers.
V. Tamil Nadu has completely banned the cultivation of sugarcane due to severe groundwater depletion.

Which of the above statements are incorrect?

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(A) I, II, III and IV
(B) I, III, IV and V
(C) I, III and V
(D) II, IV and V
(E) Answer not known

61. What is the primary role of Krishi Vigyan Kendras (KVKs) in Indian agriculture?
(A) Direct procurement of food grains at fixed support prices
(B) Regulation of large-scale international spice exports
(C) Licensing of private chemical pesticide manufacturing firms
(D) Frontline extension centers for technology refinement and dissemination
(E) Answer not known

62. Match the types of farming in List I with their descriptions in List II:
List I: Types of Farming
P. Subsistence Farming
Q. Commercial Farming
R. Plantation Agriculture
S. Mixed Farming
List II: Descriptions
I. Cultivation of crops along with rearing of livestock
II. Large-scale cultivation of a single cash crop
III. Farming geared towards generating a surplus for the market
IV. Growing crops primarily to meet the needs of the farmer's family
(A) P-IV, Q-III, R-II, S-I
(B) P-III, Q-IV, R-I, S-II
(C) P-IV, Q-I, R-II, S-III
(D) P-I, Q-II, R-III, S-IV
(E) Answer not known

63. Which of the following pairs of a crop technology/trait and its related crop is correctly matched?
(A) Golden - Wheat
(B) Bt - Cotton
(C) Hybrid - Sugarcane
(D) IR8 - Mustard
(E) Answer not known

64. Under the PM-KISAN scheme, the annual income support of ₹6,000 is distributed in how many equal installments?
(A) Two installments of ₹3,000 each
(B) Three installments of ₹2,000 each
(C) Four installments of ₹1,500 each
(D) Twelve installments of ₹500 each
(E) Answer not known

65. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The Public Distribution System (PDS) operational in Tamil Nadu is universally accessible to all family cardholders.
Reason (R): Tamil Nadu has effectively implemented the electronic National Agriculture Market (e-NAM) system in its regulated markets.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

66. Consider the following statements concerning India's agricultural exports:
I. APEDA is the apex statutory body responsible for the export promotion of scheduled agricultural products.
II. India is a leading global exporter of marine products and basmati rice.
III. India exports zero agricultural commodities to maintain complete domestic food security.
IV. Sanitary and Phytosanitary (SPS) measures often act as non-tariff barriers for Indian agricultural exports in developed markets.
Which of the above statements are correct?
(A) I, II and III
(B) I, II and IV
(C) I and III
(D) II and IV
(E) Answer not known

67. Which of the following is an incorrect statement about the National Horticulture Mission (NHM)?
(A) The entire funding for NHM is exclusively borne by the State Governments without any Central contribution.

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(B) It aims to promote holistic growth of the horticulture sector through an area-based regionally differentiated strategy.
(C) It covers fruits, vegetables, roots and tuber crops, mushrooms, spices, and flowers.
(D) It focuses on post-harvest management and marketing infrastructure.
(E) Answer not known

68. Match the water harvesting or irrigation structures in List I with the states where they are traditionally prominent in List II:
List I: Structures
P. Eri
Q. Johad
R. Ahar-Pyne
S. Bamboo Drip Irrigation
List II: States
I. Bihar
II. Tamil Nadu
III. Meghalaya
IV. Rajasthan
(A) P-II, Q-IV, R-I, S-III
(B) P-IV, Q-II, R-III, S-I
(C) P-II, Q-I, R-IV, S-III
(D) P-III, Q-II, R-I, S-IV
(E) Answer not known

69. Which of the following pairs of an agricultural regulatory body and its primary function is correctly matched?
(A) CACP - Determines foreign direct investment limits in agriculture
(B) APEDA - Promotes the export of agricultural and processed food products
(C) FCI - Regulates the prices of tractors and farm machinery
(D) NABARD - Direct retail lending to urban commercial businesses
(E) Answer not known

70. Consider the following statements regarding Food Security and the National Food Security Act (NFSA):
I. The National Food Security Act was enacted in 2013.
II. It provides subsidized food grains to up to 75% of the rural population.
III. It provides subsidized food grains to up to 50% of the urban population.
IV. Antyodaya Anna Yojana (AAY) households receive 35 kg of food grains per household per month.
V. The entire financial burden of the food subsidy under NFSA is borne by the World Bank.
Which of the above statements are correct?
(A) I, II, III and IV
(B) I, II, IV and V
(C) I, III and V
(D) II, IV and V
(E) Answer not known

71. What defines a "Plantation Crop"?
(A) Crops grown in small kitchen gardens for local domestic needs
(B) Rapid-growth vegetables found on sandy embankments in summer
(C) Tribal shifting cultivation focused on forest clearing cycles
(D) Large-scale monoculture of commercial crops like tea or rubber
(E) Answer not known

72. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Small and marginal farmers together account for less than 20% of the total agricultural landholdings in India.
Reason (R): The average size of agricultural landholdings in India has been continuously declining due to fragmentation.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

73. Which of the following statements about the 2021 repeal of the three Farm Laws is correct?
(A) The repeal followed a mandate from international trade regulators.
(B) Farmers' protests led to the repeal due to APMC/MSP concerns.
(C) The laws were repealed to enforce private corporate land ownership.
(D) The repeal officially abolished the Minimum Support Price system.

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Which of the following represents the correct descending order of these sources based on their percentage share in India's total net irrigated area?
(A) I, II, III, IV
(B) II, I, IV, III
(C) I, III, II, IV
(D) II, IV, I, III
(E) Answer not known

21. What is a major advantage of adopting Zero Budget Natural Farming (ZBNF)?
(A) It increases the use of sophisticated imported chemical fertilizers.
(B) It eliminates the need for expensive synthetic inputs to lower costs.
(C) It relies on high-yield outputs from Genetically Modified seeds.
(D) It secures massive capital loans for initial infrastructure setup.
(E) Answer not known

22. Consider the following statements regarding the electronic National Agriculture Market (e-NAM):
I. It is a pan-India electronic trading portal.
II. It networks the existing APMC mandis to create a unified national market.
III. It completely outlaws the physical handling of agricultural produce.
IV. It aims to promote better price discovery through transparent online auction processes.
Which of the above statements are correct?
(A) I, II and III
(B) I, II and IV
(C) I and III
(D) II and IV
(E) Answer not known

23. Match the agricultural concepts in List I with their relevant features in List II:
List I: Agricultural Concepts
P. Buffer Stock
Q. Minimum Support Price
R. Issue Price
S. Fair and Remunerative Price
List II: Relevant Features
I. Price at which food grains are sold through PDS
II. Statutory price for sugarcane
III. Guaranteed floor price announced before the sowing season
IV. Reserves maintained by FCI for food security
(A) P-IV, Q-III, R-I, S-II
(B) P-III, Q-I, R-IV, S-II
(C) P-IV, Q-II, R-I, S-III
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

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24. Which of the following pairs of an Agricultural Revolution and its associated sector is correctly matched?
(A) White Revolution - Milk and dairy production
(B) Green Revolution - Oilseeds production
(C) Yellow Revolution - Fish production
(D) Blue Revolution - Fertilizer production
(E) Answer not known

25. Which institution is primarily responsible for recommending the Minimum Support Price (MSP) for mandated crops in India?
(A) Food Corporation of India (FCI)
(B) Commission for Agricultural Costs and Prices (CACP)
(C) National Institution for Transforming India (NITI Aayog)
(D) Reserve Bank of India (RBI)
(E) Answer not known

26. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Groundwater is the most dominant source of irrigation in India.
Reason (R): Groundwater extraction levels across all states in India are currently well within sustainable ecological limits.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

27. Consider the following statements regarding the Food Corporation of India (FCI):
I. FCI was established in 1965 under the Food

(C) Banning the export of these grains to neighboring trade regions
(D) Highlighting the need for excessive synthetic pesticide utilization
(E) Answer not known

82. Match the cost concepts formulated by CACP in List I with their components in List II:
List I: Cost Concepts
P. A2
Q. A2 + FL
R. C2
S. MSP Premium
List II: Components
I. Actual paid out cost plus imputed value of family labour
II. Actual paid out costs incurred by the farmer
III. Additional margin over costs recommended by government
IV. Comprehensive cost including imputed rent and interest on owned land and capital
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-III, R-I, S-IV
(D) P-IV, Q-I, R-II, S-III
(E) Answer not known

83. Which of the following pairs of an Indian state and its primary characteristic in agricultural exports is correctly matched?
(A) Kerala - Leading exporter of Spices
(B) Punjab - Leading exporter of Marine products
(C) Tamil Nadu - Leading exporter of Basmati Rice
(D) Gujarat - Leading exporter of Tea
(E) Answer not known

84. What is a primary environmental challenge associated with the excessive reliance on groundwater irrigation in parts of North-Western India?
(A) Reduction in the frequency of localized tectonic activities
(B) Rapid expansion of national wildlife corridors and forests
(C) Total elimination of common agricultural and soil pests
(D) Water table depletion and increased soil salinity levels
(E) Answer not known

85. Which of the following statements about agricultural employment in India is correct?
(A) Agriculture employs less than 10% of India's total workforce.
(B) Despite a declining share in GDP, agriculture remains the largest employer in the Indian economy.
(C) The industrial sector employs twice as many people as the agricultural sector.
(D) Disguised unemployment in Indian agriculture has been completely eradicated.
(E) Answer not known

86. The Agricultural Technology Management Agency (ATMA) operates primarily at which administrative level to disseminate technology to farmers?
(A) National level
(B) State level
(C) District level
(D) Village Panchayat level
(E) Answer not known

87. In the context of agricultural distress, what defines "Disguised Unemployment"?
(A) Use of sophisticated machinery replacing manual seasonal labor
(B) Land remaining unplanted due to severe regional drought cycles
(C) Labor migration to urban industrial hubs during harvest seasons
(D) Excessive labor involvement resulting in zero marginal productivity
(E) Answer not known

88. Which of the following is the most appropriate reason for the continuous fragmentation of agricultural landholdings in India?
(A) Customary inheritance laws dividing land across multiple generations
(B) Enforced land ceiling laws preventing large-scale estate consolidation
(C) Voluntary plot splitting by farmers to test various crop varieties
(D) Mandatory government divisions required for organic certification paths
(E) Answer not known

89. How does the electronic National Agriculture Market (e-NAM) theoretically facilitate better price discovery for farmers?

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35. (A) Government grain reserves for food security and price stabilization
A buffer stock refers to the physical reserves of food grains, primarily wheat and rice, maintained by the government through the Food Corporation of India. These stocks are used to ensure food security during shortages and to stabilize market prices during fluctuations. Maintaining an adequate buffer stock is a core component of India's strategy to prevent hunger and manage domestic supply.

36. (D) A is false but R is true.
The initial phase of the Green Revolution was not uniformly successful, as it was primarily concentrated in regions with reliable irrigation like Punjab and Haryana. Areas dependent on rainfall or lacking modern infrastructure did not see the same immediate gains in productivity. This regional imbalance meant that while national production increased, the benefits were not evenly distributed across all states or crops.

37. (D) II and IV
Micro-irrigation techniques like drip and sprinkler systems are highly efficient, using significantly less water than traditional flood irrigation. These methods are promoted under national schemes to conserve water resources. While they greatly reduce water loss, they do not completely eliminate all forms of evaporation or deep percolation. Their primary advantage lies in delivering water precisely to the roots of the plants.

38. (A) Establishment of APMC Acts, Introduction of e-NAM, Enactment of Farm Laws 2020, Repeal of Farm Laws
The historical progression of agricultural market reforms began with the establishment of APMC Acts to regulate trade. Later, the electronic National Agriculture Market was launched to integrate these mandis online. In 2020, the Central Government enacted three farm laws to further deregulate marketing, but these were ultimately repealed in 2021 following widespread protests. This sequence reflects the evolving nature of policy.

39. (D) Kisan Credit Card (KCC) scheme
The Kisan Credit Card scheme was introduced in 1998 to provide farmers with timely and flexible access to short-term credit. It helps cover expenses related to cultivation, post-harvest needs, and even household consumption. By simplifying the borrowing process from institutional sources, the scheme aims to reduce the dependence of farmers on high-interest informal moneylenders, thereby improving their overall financial stability.

40. (A) II, III, I
India's agricultural calendar begins with the Kharif season, which starts with the monsoon rains in June. This is followed by the Rabi season during the cooler winter months starting in October. The cycle concludes with the short Zaid season during the hot summer months before the next monsoon. Following this sequence is essential for understanding the seasonal rotation of crops across the country.

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41. (B) Sugarcane
The national policy on ethanol blending utilizes surplus sugarcane production, specifically molasses and sugarcane juice, to produce biofuel. This blending process helps reduce India's reliance on imported crude oil and lowers vehicle emissions. By creating an alternative market for sugarcane, the policy also helps ensure that farmers receive timely payments and helps stabilize the economics of the sugar industry during surplus years.

42. (A) I, II, III and V
The Pradhan Mantri Fasal Bima Yojana offers comprehensive insurance against crop failure from non-preventable natural risks. Farmers pay a subsidized premium, fixed at two percent for Kharif and one and a half percent for Rabi crops. The scheme emphasizes the use of modern technology, including smartphones and drones, to speed up loss assessment. It provides a vital safety net for agrarian livelihoods.

43. (A) P-II, Q-IV, R-III, S-I
Different Indian states specialize in specific agricultural commodities based on their geography. Uttar Pradesh leads in sugarcane production, while West Bengal is the largest producer of rice. Madhya Pradesh excels in pulses and soybean cultivation. Maharashtra and Gujarat are prominent for cotton and onion production. These regional specializations are

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97. What is the targeted number of Farmer Producer Organisations (FPOs) that the Government of India aims to form and promote under its dedicated central sector scheme launched in 2020?
(A) 1,000
(B) 5,000
(C) 10,000
(D) 50,000
(E) Answer not known

98. What defines "Commercial Farming"?
(A) Cultivation limited to remote tribal zones for internal usage only
(B) Reliance on natural rainfall without any chemical or irrigation aids
(C) Large-scale farming with high capital and inputs for market sales
(D) Livestock rearing for dairy production without any crop activities
(E) Answer not known

99. Which of the following is considered a major limitation of the first Green Revolution regarding crop bias?
(A) Success in wheat/rice while bypassing pulses and coarse cereals
(B) Focus on luxury cash crops like tobacco while neglecting food security
(C) Mandatory organic requirements for all northern vegetable growers
(D) Overproduction of jute in arid zones causing ecological imbalances
(E) Answer not known

100. Which of the following statements correctly reflects Tamil Nadu's approach towards its agricultural sector?
(A) Relying entirely on federal research without local state universities
(B) Banning mechanical equipment to maximize manual agrarian labor
(C) Focusing exclusively on Rabi cycles due to zero monsoon activity
(D) Expanding micro-irrigation and cooperative input distribution networks
(E) Answer not known

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1. Net Sown Area is the actual physical extent of land where crops are harvested.
2. Gross Cropped Area counts land multiple times if sown more than once.
3. Culturable Waste is potentially arable land left uncultivated for over five years.
4. Current Fallow is land left unseeded for the current agricultural year only.

53. (B) Power Subsidy - Provided primarily by State Governments for agricultural pump sets
Power subsidies are a major form of agricultural support, typically provided by state governments to reduce the cost of operating electric pump sets for irrigation. This helps lower the overall production cost for farmers. In contrast, fertilizer subsidies are primarily managed and funded by the central government. Understanding the specific responsibilities of different levels of government is key to analyzing India's agricultural support system.

54. (C) The Kisan Credit Card (KCC) scheme provides farmers with flexible credit for purchasing inputs and post-harvest expenses.
The Kisan Credit Card scheme is a cornerstone of institutional agricultural credit, offering farmers a flexible and simplified procedure for borrowing. It covers a wide range of needs, from buying seeds and fertilizers to meeting post-harvest and household requirements. By providing a reliable source of low-interest credit, the scheme helps protect farmers from the predatory lending practices of informal moneylenders in rural areas.

55. (D) A is false but R is true.
The Minimum Support Price is designed as a floor price to protect farmers from significant price drops during bumper harvests. It prevents distress sales by providing a benchmark for market rates. However, it does not function as a legal guarantee that mandates the government to purchase every unit of produce grown by every individual farmer across the entire country, especially outside designated centers.

56. (B) I, III and IV
India promotes sustainable agriculture through several initiatives, including the Paramparagat Krishi Vikas Yojana, which uses the Participatory Guarantee System for organic certification. Sikkim made history as the first state to become entirely organic. Contrary to common misconceptions, Zero Budget Natural Farming strictly avoids synthetic chemical fertilizers, relying instead on natural formulations to maintain soil health and reduce costs for small-scale producers.

57. (A) I and II
Agriculture is classified as a state subject under the Indian Constitution, giving state governments the authority to establish and regulate APMC mandis. To encourage modernization and uniformity, the central government introduced the Model APMC Act. However, the system does not automatically exempt farmers from state taxes or grant them direct access to international markets, as these activities remain subject to specific trade regulations.

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58. (B) Indian Council of Agricultural Research (ICAR)
The Indian Council of Agricultural Research is the apex body responsible for coordinating and managing agricultural research and education across the country. It oversees a vast network of institutes and universities that work on developing new crop varieties and improving farming technologies. ICAR plays a fundamental role in driving innovation and ensuring that scientific advancements translate into practical benefits for Indian farmers.

59. (A) Both A and R are true and R is the correct explanation of A.
The Government of India actively promotes ethanol blending with petrol to achieve multiple economic and environmental goals. By using surplus sugarcane and grains for ethanol production, the policy reduces the country's dependence on expensive crude oil imports and helps lower carbon emissions. Additionally, it provides a stable alternative market for farmers, ensuring better price realizations and timely payments for their crops.

60. (C) I, III and V
Tamil Nadu utilizes a universal Public Distribution System, providing essential food grains to all family cardholders regardless of their poverty status. The state's agriculture is dominated by rice-growing seasons like Kuruvai and Samba, although it faces challenges with groundwater

of agricultural policies targeting different economic strata of farmers.

9. (B) It is the primary irrigation source, utilizing shallow tubewells and open wells.
Groundwater has emerged as the dominant source of irrigation in India, surpassing canals and tanks. It primarily utilizes shallow tubewells and open wells to extract water from underground aquifers. This decentralized source provides farmers with greater control over the timing and quantity of water application. However, its widespread use has led to concerns regarding the sustainability of water tables in several regions.

10. (A) I, II, III, IV
The Food Corporation of India was established in 1965 to handle food procurement and distribution. NABARD followed in 1982 as the apex rural development bank. The National Food Security Act was enacted in 2013 to provide legal rights to subsidized food. Finally, the Pradhan Mantri Fasal Bima Yojana was launched in 2016. Following this sequence highlights the evolution of India's agricultural policy framework.

11. (C) 2023
Following a proposal by the Government of India, the United Nations General Assembly declared 2023 as the International Year of Millets. This initiative aims to increase global awareness regarding the nutritional and health benefits of millets. It also highlights their suitability for cultivation under adverse climate conditions, promoting them as a sustainable solution for food security and resilient agricultural systems.

12. (B) I, II, IV and V
The Swaminathan Commission, officially known as the National Commission on Farmers, addressed critical issues like agricultural distress and suicides. It recommended that the Minimum Support Price be at least fifty percent above the comprehensive cost of production, known as C2. M.S. Swaminathan, the commission's head, is credited as the architect of the Green Revolution, helping transform India into a food-surplus nation.

13. (A) P-IV, Q-III, R-I, S-II
Objectives of Agricultural Schemes
P. e-NAM connects mandis through an electronic trading portal for better pricing.
Q. PMFBY provides comprehensive crop insurance coverage for farmers.
R. PM-KISAN offers direct income support through annual financial transfers.
S. PKVY promotes organic farming through cluster-based development and certification.

14. (C) Inundation Canals - Hilly regions of North-East India
Inundation canals are simple structures that divert water from rivers during high flow or flood periods. These are most common in the plains where rivers have seasonal overflows. Hilly regions of North-East India rely more on traditional methods like bamboo drip irrigation or rainfed cultivation. Misidentifying irrigation sources can lead to a misunderstanding of how local geography dictates regional agricultural practices.

15. (B) State governments bear the entire cost of procuring food grains from farmers without central assistance.
The National Food Security Act of 2013 provides subsidized food grains to a significant portion of the population. While it covers rural and urban households, the central government is responsible for the procurement and allocation of these grains. State governments primarily manage the distribution within their borders. Procurement is not a solitary financial burden for states, as federal assistance is provided.

16. (B) Both A and R are true but R is not the correct explanation of A.
Pulses are actively promoted in India to ensure nutritional security and provide an affordable protein source. They are leguminous crops capable of fixing atmospheric nitrogen, which naturally restores soil fertility. While their biological ability to fix nitrogen is a factual characteristic, the policy promotion is primarily driven by the need to address dietary deficiencies and achieve protein-based food security.

17. (B) II and III
The Cauvery delta region is famously known as the rice bowl of Tamil Nadu. Agriculture in the state is organized into three main seasons: Kuruvai, Samba, and Thaladi. These seasons

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(A) Fixing all local commodity rates exactly equal to the federal MSP
(B) Enabling online auctions to nationwide traders to boost competition
(C) Mandating government purchases of all local agricultural harvests
(D) Limiting sales exclusively to local village-based trading agents
(E) Answer not known

90. Which Indian state has been a pioneer and model state in implementing Zero Budget Natural Farming (ZBNF) at a massive scale through state policy?
(A) Punjab
(B) Andhra Pradesh
(C) Haryana
(D) West Bengal
(E) Answer not known

91. Which of the following is an incorrect statement about Contract Farming?
(A) Under this system, the sponsoring firm always takes over the legal ownership of the farmer's land.
(B) It involves an agreement between farmers and processing/marketing firms for the production of crops under forward agreements.
(C) It helps in mitigating price risks for farmers by assuring a predetermined price.
(D) It encourages private investment in technology and agricultural extension.
(E) Answer not known

92. Which of the following statements about procurement operations by the Food Corporation of India (FCI) is correct?
(A) FCI buys grains from farmers at rates below standard market prices.
(B) FCI focuses on perishable horticulture while leaving grains to traders.
(C) FCI buys at MSP to supply the PDS and maintain buffer stocks.
(D) FCI exports all local grains before meeting domestic dietary needs.
(E) Answer not known

93. Which government scheme was launched specifically to promote cluster-based organic farming with PGS (Participatory Guarantee System) certification?
(A) Pradhan Mantri Krishi Sinchai Yojana (PMKSY)
(B) Pradhan Mantri Fasal Bima Yojana (PMFBY)
(C) PM KISAN
(D) Paramparagat Krishi Vikas Yojana (PKVY)
(E) Answer not known

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94. What is the major systemic advantage for small farmers forming a Farmer Producer Organisation (FPO)?
(A) Granting of complete diplomatic immunity from national fiscal taxes
(B) Legal conversion of farmland into industrial Special Economic Zones
(C) Enhanced bargaining power for bulk inputs and collective marketing
(D) Automatic guarantee of government employment for all family members
(E) Answer not known

95. Which of the following best describes the structure and legal framework of the APMC (Agricultural Produce Market Committee)?
(A) A central board managing international food distribution agreements
(B) A statutory body ensuring fair trade between farmers and traders
(C) A private corporate monopoly managing national fertilizer inventory
(D) A voluntary non-governmental group focusing on rural wage labor
(E) Answer not known

96. What is the direct significance of the "One Nation One Ration Card" (ONORC) scheme for a migrant worker moving from one state to another?
(A) Automatic issuance of local residential documents upon state entry
(B) Doubling of standard monthly food quotas as a migration subsidy
(C) Restriction to purchasing only indigenous crops within the new state
(D) Ability to access subsidized grains in any state using one card
(E) Answer not known

26. (C) A is true but R is false.
Groundwater is currently the most dominant source of irrigation in India, providing a reliable water supply for millions of farmers. However, the extraction levels in many states have exceeded sustainable limits, leading to severe depletion of aquifers. While its dominance is a factual reality of modern Indian agriculture, the ecological sustainability of such high extraction rates remains a critical concern.

27. (A) I, II, III and V
The Food Corporation of India was established in 1965 to ensure national food security. Its primary functions include procuring food grains at support prices, maintaining strategic buffer stocks, and distributing grains through the Public Distribution System. While it works closely with agricultural sectors, it operates under the Ministry of Consumer Affairs, Food and Public Distribution rather than the Ministry of Agriculture.

28. (A) Sugarcane, Rice, Wheat, Millets
Crops have varying water requirements based on their biological characteristics and growing duration. Sugarcane requires the most water as it is a long-duration crop. Rice follows, needing submerged conditions during its early growth. Wheat has moderate requirements, primarily during winter. Millets are highly climate-resilient and drought-tolerant, requiring the least amount of water among these crops, making them ideal for arid regions.

29. (D) Total costs including labor, land rent, and capital interest.
In the context of Minimum Support Price recommendations, C2 represents the most comprehensive cost formula. It includes all actual paid-out expenses, the imputed value of family labor, and the interest on owned capital and land rent. By accounting for these hidden costs, the C2 formula provides a more accurate reflection of the total economic investment made by a farming family.

30. (A) II, III, I
Agricultural cost formulas used in price determination vary in their scope. A2 covers only actual paid-out expenses like seeds and fertilizers. A2 plus FL adds the imputed value of family labor. The broadest formula, C2, includes these expenses along with the interest on owned land and capital. Arranging them in this sequence shows the progression from direct expenses to comprehensive costs.

31. (B) Horticulture crops typically yield higher value per unit area compared to traditional food grains.
Horticulture, which includes fruits and vegetables, often provides higher economic returns per unit of land than traditional food grains. India is a significant global producer, though it generally ranks second behind China in total volume. In recent years, horticulture production has occasionally surpassed food grain volumes, highlighting its growing importance in diversifying farm income and improving nutritional security across the country.

32. (A) I and II
Farmer Producer Organisations are collective entities that allow small and marginal farmers to pool their resources. By working together, they achieve better bargaining power and economies of scale for inputs and marketing. The Central Government aims to form ten thousand new FPOs to strengthen this model. Contrary to being strictly charitable, FPOs are designed as commercial entities that improve the profitability of farmers.

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33. (A) P-II, Q-III, R-IV, S-I
Crops in India are categorized based on their primary commercial utility. Cotton is a fiber crop, while sugarcane is the primary sugar crop. Groundnut is a major oilseed, and tea is classified as a plantation crop. These classifications help in formulating specific policies for trade, processing, and agricultural support tailored to the unique economic characteristics of each crop group.

34. (C) Extensive Farming - High input of capital and labour per unit of land
Extensive farming is defined by the use of large land areas with relatively low inputs of labor and capital per unit of land, often resulting in lower yields per hectare. This contrasts with intensive farming, which uses high inputs to maximize productivity on smaller plots. Misidentifying these characteristics can lead to incorrect conclusions about agricultural productivity and the efficient allocation of rural resources.

ANSWERS

1. (A) Less than 1 hectare
In India, agricultural landholdings are categorized based on size to target policy benefits. Marginal farmers are those possessing less than one hectare of land. This group represents the largest segment of the farming community. Accurate classification helps the government implement specific schemes for small-scale cultivators, ensuring equitable distribution of resources and financial assistance across various rural demographics.

2. (B) I and III
Kharif crops are sown with the monsoon onset in June and harvested by October. These include rice and maize, whereas wheat belongs to the Rabi season. Zaid crops are short-duration summer varieties grown between March and June. Understanding these seasonal cycles is crucial for managing India's food security and coordinating the timing of agricultural inputs and harvesting operations throughout the year.

3. (A) P-III, Q-I, R-II, S-IV
Different crops are cultivated during specific seasons based on climatic requirements and water availability. Rice is a staple Kharif crop sown during the monsoon. Wheat is the primary Rabi crop grown in winter. Watermelon represents the short-duration Zaid season during summer. Cotton functions as a significant Kharif cash crop. Proper seasonal alignment ensures optimal crop yields and efficient resource utilization across India.

4. (D) Sugarcane - Uttar Pradesh
Uttar Pradesh is the leading producer of sugarcane in India due to favorable soil and climatic conditions. While West Bengal leads in rice production, Punjab is known for high productivity rather than total volume. Cotton production is highest in states like Gujarat and Maharashtra. Identifying leading production regions is essential for understanding regional agricultural strengths and managing national supply chains effectively.

5. (B) High-density farming using intensive labor and chemical inputs for maximum yields
Intensive subsistence farming is characterized by high population pressure on land, necessitating maximum output from small plots. This method involves high manual labor inputs and the intensive use of chemical fertilizers and irrigation to enhance productivity. It is commonly practiced in densely populated regions where the primary goal is providing food for the local population rather than large-scale commercial export.

6. (A) Both A and R are true and R is the correct explanation of A.
The initial phase of the Green Revolution targeted regions with assured irrigation, such as Punjab and Haryana, to maximize the success of High Yielding Variety seeds. This selective geographical focus naturally created regional disparities in agricultural growth. Since these advanced seeds require consistent water supplies, areas lacking modern irrigation infrastructure could not immediately benefit, leading to uneven development across the country.

7. (D) III and IV
The PM-KISAN scheme provides income support to all landholding farmer families, regardless of the size of their land. It delivers an annual benefit of six thousand rupees directly into bank accounts. This total amount is distributed in three equal installments of two thousand rupees each. Eligibility is not restricted to those with large landholdings, making the program broadly inclusive for smallholders.

8. (A) Large, Medium, Semi-medium, Small, Marginal
Agricultural holdings in India are classified into five distinct categories based on size. Large holdings exceed ten hectares, followed by medium, semi-medium, and small categories. Marginal holdings, representing the smallest size of less than one hectare, are the most numerous. This hierarchical classification is vital for statistical analysis and the strategic formulation

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crucial for maintaining a balanced and diverse national food supply chain.

44. (C) Kuruvai - Short duration crop sown in June/ July
In Tamil Nadu, Kuruvai is a significant short-duration rice crop typically sown during June and July to take advantage of the early water availability. Samba is a longer-duration crop, while Thaladi follows the Kuruvai harvest. These distinct seasons allow for intensive rice cultivation in the Cauvery delta. Understanding these local terms is essential for grasping the specific agricultural practices and regional timing in the state.

45. (B) 1982
The National Bank for Agriculture and Rural Development was established in 1982 to serve as the apex institution for rural credit and development. It provides refinancing to banks that lend to the agricultural sector and helps formulate policies for rural growth. NABARD plays a critical role in strengthening the credit delivery system, ensuring that financial resources reach farmers and rural entrepreneurs effectively.

46. (A) Both A and R are true and R is the correct explanation of A.
Tank irrigation is historically significant in South India because the region's hard rock structure and undulating terrain make it difficult to dig deep wells or long canals. These natural depressions are used to collect and store rainwater for agricultural use. This traditional method is perfectly adapted to the local geography of the Deccan Plateau, providing a sustainable way to manage seasonal water availability.

47. (C) Only I
The concept of the Second Green Revolution focuses on achieving sustainable and inclusive growth across a wider range of crops and regions. Unlike the first phase, which centered on wheat and rice in the northwest, this initiative emphasizes pulses, millets, and oilseeds. It also aims to extend agricultural development to the eastern states, ensuring that food security and economic benefits are more broadly distributed.

48. (B) Research and Breeding, Field Trials, Certification, Seed Production, Distribution
The progression of a new crop variety begins with intensive research and breeding to develop desirable traits. This is followed by multi-location field trials to test performance in different environments. Once a variety is proven successful, it undergoes official certification before entering large-scale seed production. Finally, the certified seeds are distributed to farmers for commercial cultivation, completing the cycle from laboratory to field.

49. (A) Land left uncultivated temporarily to restore its natural fertility
Fallow land refers to agricultural plots that are intentionally left unseeded for one or more growing seasons. This practice allows the soil to naturally replenish its nutrients and moisture, which may have been depleted by continuous cultivation. By managing fallow periods, farmers can maintain long-term soil productivity and reduce the need for excessive chemical fertilizers, supporting more sustainable land use practices.

50. (A) I, II, III
West Bengal is consistently the largest producer of rice in India, followed by Uttar Pradesh and Punjab. While Punjab has high yields due to intensive irrigation, the larger total land area dedicated to rice in West Bengal and Uttar Pradesh results in higher overall production volumes. This ranking highlights the regional importance of the eastern and northern plains in meeting the country's primary dietary requirements.

51. (A) Limited competition by mandating sales through licensed agents in yards
A significant drawback of the traditional APMC system was the lack of competition, as farmers were often legally required to sell their produce only to licensed middlemen within designated market yards. This structure frequently led to price manipulation and reduced the share of the final consumer price reaching the farmer. Modern reforms have sought to introduce more direct marketing options to improve transparency and farmer earnings.

52. (A) P-III, Q-II, R-IV, S-I
Land Use and Cropping Terminology

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are timed according to water availability and monsoon patterns. While Tamil Nadu Agricultural University is a premier institution, its headquarters are located in Coimbatore rather than the state capital of Chennai.

18. (A) Farmer, Village Trader, Commission Agent, Wholesaler, Retailer, Consumer
The traditional agricultural marketing channel involves several intermediaries who move produce from the field to the end-user. Initially, farmers sell to village traders or commission agents at local mandis. These goods then pass through wholesalers and retailers before reaching the final consumer. Each stage adds cost and value, though modern reforms aim to shorten this chain to benefit both producers and buyers.

19. (A) Enabling nationwide portability of food security benefits for migrant laborers
The One Nation One Ration Card scheme is designed to ensure food security for migratory populations. It allows beneficiaries, particularly migrant laborers, to access their entitled food grains from any Fair Price Shop across the country. By utilizing digital identification and an integrated central server, the program eliminates geographical barriers, ensuring that moving for work does not result in losing essential food benefits.

20. (A) I, II, III, IV
India's net irrigated area is serviced by several key water sources. Groundwater from tubewells and other wells remains the most significant source, followed by canal systems. Tanks and other minor sources, including micro-irrigation technologies, contribute the remaining share. This hierarchy reflects the shift toward decentralized irrigation methods that provide farmers with greater autonomy over their water supply for various cropping cycles.

21. (B) It eliminates the need for expensive synthetic inputs to lower costs.
Zero Budget Natural Farming is an agricultural practice that promotes the use of natural inputs like cow dung and urine. By avoiding the purchase of expensive synthetic fertilizers and pesticides, farmers can significantly reduce their cost of production. This method aims to break the cycle of debt for smallholders while improving soil health and promoting ecological sustainability through indigenous farming techniques.

22. (B) I, II and IV
The electronic National Agriculture Market is a pan-India trading portal that integrates existing APMC mandis into a single market. It aims to improve price discovery through transparent online bidding processes. While it facilitates digital transactions and reduces the power of middlemen, it does not outlaw the physical handling of produce, as goods must still be stored, graded, and transported physically.

23. (A) P-IV, Q-III, R-I, S-II
Key Agricultural Price and Stock Concepts
1. Buffer stocks are food grain reserves maintained for national security.
2. Minimum Support Price is the guaranteed floor price announced before sowing.
3. Issue Price is the rate for selling grains through the distribution system.
4. Fair and Remunerative Price is the statutory price paid to sugarcane growers.

24. (A) White Revolution - Milk and dairy production
The White Revolution, also known as Operation Flood, transformed India into the world's largest milk producer by organizing dairy cooperatives. In contrast, the Yellow Revolution focused on oilseeds, and the Blue Revolution targeted fish production. The Green Revolution was primarily associated with food grain production. Correctly identifying these revolutions is essential for understanding the historical development of different sectors within Indian agriculture.

25. (B) Commission for Agricultural Costs and Prices (CACP)
The Commission for Agricultural Costs and Prices is a specialized body that recommends the Minimum Support Price for twenty-three mandated crops. It considers various factors, including the cost of production, market price trends, and demand-supply dynamics. Although the final decision is taken by the Cabinet Committee on Economic Affairs, the commission's detailed analysis provides the foundational basis for these price guarantees.

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depletion rather than having universal canal coverage. Sugarcane remains a vital commercial crop, and its cultivation is supported rather than banned, despite the ongoing water scarcity issues.

61. (D) Frontline extension centers for technology refinement and dissemination
Krishi Vigyan Kendras serve as the primary link between agricultural research institutions and the farming community. These centers focus on technology assessment and refinement through on-farm testing and frontline demonstrations. By providing training and technical support to farmers, KVKs ensure that modern scientific practices are effectively disseminated at the local level, helping to improve regional productivity and the adoption of sustainable farming methods.

62. (A) P-IV, Q-III, R-II, S-I
Classifications of Farming Systems
P. Subsistence farming focuses on meeting the basic food needs of the family.
Q. Commercial farming is oriented toward producing a surplus for sale in markets.
R. Plantation agriculture involves the large-scale monoculture of specific cash crops.
S. Mixed farming combines crop cultivation with the rearing of livestock for diverse income.

63. (B) Bt - Cotton
Bt Cotton is a genetically modified variety that contains a gene from the bacterium Bacillus thuringiensis, providing resistance against pests like the bollworm. It is currently the only GM crop widely approved for commercial cultivation in India. Other technologies like IR8 are associated with the high-yielding rice varieties of the Green Revolution. Accurate identification of these traits is crucial for understanding agricultural biotechnology.

64. (B) Three installments of ₹2,000 each
Under the PM-KISAN scheme, eligible farmer families receive a total annual income support of six thousand rupees. This financial benefit is provided by the central government and is transferred directly into the bank accounts of the beneficiaries. The amount is distributed in three equal installments of two thousand rupees each, providing a steady source of liquidity for farmers to meet various agricultural expenses.

65. (B) Both A and R are true but R is not the correct explanation of A.
Tamil Nadu implements a universal Public Distribution System, ensuring that all residents with a family card can access subsidized food grains. At the same time, the state has also adopted the electronic National Agriculture Market to modernize its regulated mandis and improve price transparency for farmers. While both policies are active and successful in the state, they address different aspects of food security and marketing.

66. (B) I, II and IV
India is a major player in global agricultural trade, with APEDA serving as the primary body for promoting the export of processed and scheduled products. The country is a leading exporter of basmati rice and marine products. However, exports often face challenges from non-tariff barriers like Sanitary and Phytosanitary measures in international markets. Despite maintaining domestic security, India continues to be a significant net exporter.

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67. (A) The entire funding for NHM is exclusively borne by the State Governments without any Central contribution.
The National Horticulture Mission is a centrally sponsored scheme, meaning that the funding is shared between the central and state governments. It aims to achieve holistic growth in the horticulture sector through regional strategies that cover fruits, vegetables, and spices. The mission also focuses on improving post-harvest management and developing marketing infrastructure to help farmers get better prices for their perishable produce.

68. (A) P-II, Q-IV, R-I, S-III
Traditional water harvesting systems vary across Indian states to suit local topographies. Eri systems are prominent in Tamil Nadu, while Johads are used in Rajasthan. Ahar-Pyne systems are characteristic of Bihar's landscape. Bamboo drip irrigation is a unique traditional practice found in Meghalaya. These indigenous methods reflect regional adaptations for efficient water management and conservation in diverse ecological zones.

CHAPTER 12

Application of Science and Technology in Agriculture

1. Match the following biotechnological tools in agriculture with their descriptions in List II:
List I: (Biotechnological Tool)
P. Tissue Culture
Q. Marker Assisted Selection
R. Genetic Engineering
S. CRISPR Cas9
List II: (Description)
I. Gene editing technique without mandatory transgenic introduction
II. Recombinant DNA technology for trait transfer across species
III. Use of molecular markers to accelerate conventional breeding
IV. Micropropagation to produce disease-free planting material
(A) P-IV, Q-III, R-II, S-I
(B) P-III, Q-IV, R-I, S-II
(C) P-IV, Q-II, R-III, S-I
(D) P-II, Q-III, R-I, S-IV
(E) Answer not known

2. Which of the following best defines the concept of biofortification in agriculture?
(A) The application of specific synthetic chemical fertilizers to improve plant health and growth
(B) The physical fortification of field boundaries using biological fences to deter animals
(C) The enhancement of crop nutritional value via breeding, biotechnology, or agronomy
(D) The exclusive reliance on genetically modified organisms to maximize annual crop yields
(E) Answer not known

3. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.

Assertion (A): The Government of India mandates the coating of agricultural urea with neem oil.
Reason (R): Neem coating slows down the dissolution of urea in the soil, inhibiting the action of nitrifying bacteria and reducing nitrogen loss.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

4. Consider the following statements regarding the Soil Health Card Scheme:
I. It aims to promote balanced and integrated use of nutrient fertilizers.
II. It provides information exclusively on macronutrients, ignoring secondary nutrients like sulphur.
III. It facilitates the determination of crop-specific nutrient recommendations.
Which of the statement(s) given above is/are correct?
(A) I and III
(B) II and III
(C) I and II
(D) II only
(E) Answer not known

5. Arrange the following stages of the agricultural post-harvest value chain in the correct chronological order:
1. Processing and value addition
2. Sorting, grading, and packaging
3. Harvesting and field handling
4. Distribution to retail markets
5. Pre-cooling and cold storage
(A) 3, 5, 2, 1, 4

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announced by the central government based on recommendations from the CACP. This pricing mechanism ensures that sugarcane growers receive a fair return for their produce, balancing the interests of farmers with the economic viability of the sugar processing industry.

78. (B) Both A and R are true but R is not the correct explanation of A.
Zaid crops are short-duration summer crops grown in the interval between the harvest of Rabi crops and the sowing of Kharif crops. They typically include water-rich varieties like watermelon, cucumber, and various vegetables that thrive in hot weather. While these examples correctly identify Zaid crops, the seasonal definition depends on the timing of the monsoon and the agricultural calendar rather than the specific crop types.

79. (B) 2% of sum insured
Under the Pradhan Mantri Fasal Bima Yojana, the premium paid by farmers is heavily subsidized by the government to make insurance affordable. For all Kharif food and oilseed crops, the maximum premium payable by the farmer is capped at two percent of the sum insured. This low premium rate encourages wider participation in the insurance scheme, providing a financial cushion against potential crop losses due to natural disasters.

80. (D) The scheme is implemented only by foreign commercial banks in India.
The Kisan Credit Card scheme is implemented across the country by public sector banks, regional rural banks, and cooperative banks. It is not restricted to foreign institutions. The scheme provides farmers with essential credit for cultivation and has been expanded to include those working in animal husbandry and fisheries. By offering low-interest loans from domestic banks, it strengthens the rural financial system and supports agrarian livelihoods.

81. (A) Promoting nutritional value, climate resilience, and food security
Classifying millets as nutri-cereals highlights their superior nutritional profile compared to traditional staples like rice and wheat. These crops are also highly climate-resilient, requiring minimal water and being able to grow in poor soil conditions. By promoting their consumption and cultivation, the government aims to enhance dietary diversity while building a more sustainable and resilient food system that can withstand the challenges of climate change.

82. (A) P-II, Q-I, R-IV, S-III
Agricultural cost concepts vary by the breadth of expenses included. A2 covers actual paid-out costs, while A2 plus FL adds the value of family labor. C2 is the most comprehensive, including imputed interest on owned land and capital. The Minimum Support Price often includes a premium or margin above these costs. Understanding these formulas is crucial for analyzing how government support prices are calculated and their impact on farm income.

83. (A) Kerala - Leading exporter of Spices
Kerala has a long history as a major producer and exporter of various spices, such as black pepper and cardamom, due to its favorable tropical climate. Other states have different specializations, such as Punjab for basmati rice and Gujarat for cotton. Correctly matching states with their export strengths is essential for understanding the regional contributions to India's agricultural trade and the diversity of its global exports.

84. (D) Water table depletion and increased soil salinity levels
The excessive reliance on groundwater for irrigation, especially in northwest India, has led to a significant drop in the water table as extraction exceeds recharge. Additionally, intensive irrigation in these areas often results in increased soil salinity, which can degrade land quality and reduce long-term agricultural productivity. Addressing these environmental challenges is critical for ensuring the future sustainability of farming in these highly productive regions.

85. (B) Despite a declining share in GDP, agriculture remains the largest employer in the Indian economy.
Although the contribution of agriculture to India's Gross Domestic Product has decreased over time, it continues to employ nearly half of the country's workforce. This highlights the sector's vital role in providing livelihoods for a majority of the population. The persistence of

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explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

24. Consider the following statements regarding the use of Drone Technology in Indian agriculture under the Kisan Drone Scheme:
I. Drones are heavily utilized for pesticide and nutrient spraying to ensure uniform application.
II. The Directorate General of Civil Aviation (DGCA) has exempted agricultural drones from all regulatory compliance.
III. Drones play a vital role in crop health monitoring and mapping through aerial imaging.
IV. Financial assistance is provided to Custom Hiring Centres to promote drone adoption.
Which of the statement(s) given above is/are correct?
(A) I, III and IV
(B) II, III and IV
(C) I and III
(D) II and IV
(E) Answer not known

25. Which of the following correctly describes the mandate of a typical state agricultural university?
(A) Agency responsible for calculating and issuing minimum support prices for commodities
(B) A state university focused on agricultural education, research, and extension
(C) A specialized regulatory body governing the legal use of drones in agriculture
(D) An international non-governmental organization advocating for organic farming
(E) Answer not known

26. In agricultural seed technology, which of the following refers to the "Seed Replacement Rate" (SRR)?
(A) The percentage of agricultural seeds exported to other international markets annually
(B) Percentage of area sown with certified seeds rather than traditional farm-saved seeds
(C) The biological rate at which traditional seed varieties undergo field mutation
(D) The speed at which processing units identify and replace seeds during grading
(E) Answer not known

27. Select the correct chronological sequence of technological revolutions in Indian agriculture:
(A) Green Revolution → Gene Revolution (Bt crops) → Precision Agriculture (Drones/ IoT) → Digital Agriculture Mission
(B) Gene Revolution → Green Revolution → Digital Agriculture Mission → Precision Agriculture
(C) Precision Agriculture → Green Revolution → Gene Revolution → Digital Agriculture Mission
(D) Green Revolution → Precision Agriculture → Digital Agriculture Mission → Gene Revolution
(E) Answer not known

28. Consider the following statements regarding the e-Kisan Upaj Nidhi platform:
I. It is a digital initiative to simplify the warehousing process for farmers.
II. It facilitates post-harvest financing by allowing pledge loans against electronic warehouse receipts.
III. It strictly mandates farmers to sell their produce only to government procurement agencies.
IV. It reduces distress selling by providing liquidity to farmers immediately after harvest.
V. It integrates blockchain technology for immutable record-keeping of warehouse stock.
Which of the statement(s) given above is/are incorrect?
(A) I, II, IV and V
(B) I, IV and V
(C) III only
(D) III and V
(E) Answer not known

29. Which of the following statements correctly highlights the role of Custom Hiring Centres (CHCs) in agriculture?
(A) Centers established to hire manual labor from neighboring regions during peak

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and marketing, facilitating the transition toward more sustainable and chemical-free agricultural systems across the country.

94. (C) Enhanced bargaining power for bulk inputs and collective marketing
When small farmers form a Farmer Producer Organisation, they gain significant advantages through collective action. By pooling their requirements, they can negotiate better prices for bulk inputs like seeds and fertilizers. Additionally, collective marketing allows them to access larger markets and receive a higher share of the final consumer price. This increased bargaining power is essential for improving the economic viability and competitiveness of small-scale agricultural operations.

95. (B) A statutory body ensuring fair trade between farmers and traders
The Agricultural Produce Market Committee is a statutory body established by state governments to regulate the trading of agricultural produce in designated market yards. Its primary role is to ensure fair trade practices and protect farmers from exploitation by traders and middlemen. By providing a regulated platform for auctions and sales, the APMC aims to ensure transparency and timely payments for farmers within the traditional marketing framework.

96. (D) Ability to access subsidized grains in any state using one card
The One Nation One Ration Card scheme ensures that food security benefits are portable across state boundaries. For a migrant worker, this means they can use their existing ration card to purchase subsidized food grains from any Fair Price Shop in the country, regardless of their original home state. This reform is critical for supporting the nutritional needs of India's large migrant population, ensuring they do not lose essential food support when they relocate.

97. (C) 10,000
The Government of India launched a dedicated central sector scheme with the target of forming and promoting ten thousand new Farmer Producer Organisations. This initiative aims to help small and marginal farmers aggregate their produce to achieve economies of scale and improve their income. By providing financial support and technical guidance, the scheme seeks to strengthen the role of FPOs in modernizing agricultural marketing and supply chains.

98. (C) Large-scale farming with high capital and inputs for market sales
Commercial farming is defined by its focus on producing crops and livestock for sale in the market rather than for personal consumption. It typically involves large land areas, high capital investment, and the intensive use of modern inputs like high-yielding seeds and machinery. The primary objective is to maximize profit through efficiency and scale, making it a critical component of the national and global food supply systems.

99. (A) Success in wheat/rice while bypassing pulses and coarse cereals
A major limitation of the first Green Revolution was its heavy focus on wheat and rice, which led to significant production increases in these crops while neglecting pulses and coarse cereals. This crop bias altered national consumption patterns and resulted in a relative decline in the production of other essential nutritional sources. Modern agricultural policies now aim to correct this imbalance by promoting a more diverse range of climate-resilient crops.

100. (D) Expanding micro-irrigation and cooperative input distribution networks
Tamil Nadu's agricultural strategy focuses on modernization and resource efficiency to support its farming population. The state government actively promotes the expansion of micro-irrigation systems like drip and sprinkler sets to conserve water. Additionally, the development of cooperative input distribution networks helps small and marginal farmers access essential resources. These initiatives aim to enhance productivity while addressing regional climate challenges through localized and sustainable agricultural solutions.

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69. (B) APEDA - Promotes the export of agricultural and processed food products
APEDA is the apex statutory body tasked with the export promotion and development of various agricultural and processed food products from India. It sets standards and provides assistance to exporters to help them reach global markets. In contrast, the CACP recommends support prices for domestic crops, and the FCI handles the procurement and distribution of food grains within the national security framework.

70. (A) I, II, III and IV
Enacted in 2013, the National Food Security Act provides a legal right to subsidized food grains for a large portion of the population. It covers up to seventy-five percent of rural and fifty percent of urban households. Under this act, Antyodaya Anna Yojana families receive thirty-five kilograms of grain monthly. The financial subsidy for this massive social safety net is borne by the central government.

71. (D) Large-scale monoculture of commercial crops like tea or rubber
Plantation crops are characterized by the large-scale, commercial cultivation of a single crop on extensive estates. Common examples include tea, coffee, and rubber. This type of farming requires significant capital investment, sophisticated processing facilities, and a large labor force. Because it is geared primarily toward the market, plantation agriculture is a vital part of the commercial agricultural sector in many tropical and subtropical regions.

72. (D) A is false but R is true.
Small and marginal farmers actually account for over eighty percent of total agricultural landholdings in India, reflecting the fragmented nature of the land. The average size of these holdings has been steadily declining due to inheritance-based divisions across generations. This high concentration of smallholders poses significant challenges for the government in terms of delivering modern agricultural services and ensuring the economic viability of farming.

73. (B) Farmers' protests led to the repeal due to APMC/MSP concerns.
In 2021, the central government repealed three farm laws following prolonged protests by farmers' unions. The primary concerns raised during the protests were related to the potential weakening of the APMC mandi system and the future of the Minimum Support Price guarantee. The repeal restored the previous regulatory framework for agricultural marketing, highlighting the political and social sensitivity of reforms that affect rural livelihoods.

74. (B) Sustainable rainfed growth focusing on Eastern India and pulses
The Second Green Revolution aims to address the limitations of the first phase by focusing on sustainable growth in rainfed areas. It prioritizes the cultivation of pulses and oilseeds to improve nutritional security and soil health. Furthermore, it seeks to extend agricultural development to the eastern states, utilizing their high water potential to create a more balanced and geographically inclusive national food production system.

75. (A) P-III, Q-II, R-I, S-IV
Headquarters of Agricultural Institutions
1. The Indian Council of Agricultural Research is based in New Delhi.
2. Tamil Nadu Agricultural University is located in Coimbatore.
3. The Central Rice Research Institute is situated in Cuttack.
4. The Central Food Technological Research Institute is headquartered in Mysore.

These institutions lead national efforts in scientific research, food technology, and agricultural education.

76. (C) Yellow Vein Mosaic - Disease affecting Okra (Bhindi)
Yellow Vein Mosaic is a viral disease that significantly impacts the yield and quality of okra, or bhindi. Other common crop diseases include Red Rot in sugarcane and Blast in rice. Identifying these specific diseases is essential for developing resistant crop varieties and implementing effective pest management strategies. Protecting crops from such infections is a primary focus of agricultural research to ensure consistent food production.

77. (D) Sugarcane
The Fair and Remunerative Price is the statutory minimum price that sugar mills are legally obligated to pay to sugarcane farmers. It is

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(B) 3, 2, 5, 1, 4
(C) 3, 1, 2, 5, 4
(D) 3, 5, 1, 2, 4
(E) Answer not known

6. Identify the incorrectly matched pair regarding digital applications in agriculture:
(A) FASAL - Forecasting Agricultural output using Space Agro-meteorology and Land based observations
(B) Kisan Suvidha - Providing farmers with information on weather, market prices, and plant protection
(C) DAMINI - Advisory app for optimal fertilizer application rates
(D) e-Kisan Upaj Nidhi - Digital platform for warehouse receipts and pledge financing
(E) Answer not known

7. What is the primary objective of the Protection of Plant Varieties and Farmers' Rights (PPV&FR) Act, 2001 in India?
(A) To strictly prohibit the commercial cultivation of all genetically modified crops
(B) To mandate that farmers utilize hybrid seeds supplied through government channels
(C) To monitor and regulate the maximum retail pricing of all agricultural fertilizers
(D) To provide a system for protecting plant varieties and the rights of farmers
(E) Answer not known

8. Consider the following statements about the FASAL programme in India:
I. It utilizes Remote Sensing, Geographic Information System, and Agro-meteorological data.
II. It provides multiple pre-harvest crop production forecasts at national and state levels.
III. It relies solely on traditional ground-based crop cutting experiments without satellite data.
IV. It plays a critical role in proactive agricultural planning and food security management.
Which of the statement(s) given above is/are correct?
(A) I, II and IV
(B) II, III and IV
(C) I and III
(D) II and III
(E) Answer not known

9. Which of the following statements is correct regarding the contributions of the Tamil Nadu Agricultural University (TNAU) to agricultural technology?
(A) TNAU maintains a focus on conventional farming while restricting the use of precision agriculture
(B) Releasing high-yielding crop varieties and promoting precision farming to state farmers
(C) TNAU provides administrative support to research councils without conducting independent research
(D) TNAU's mandate is restricted exclusively to the regulation of genetically modified crop trials
(E) Answer not known

10. Select the correct sequence of regulatory bodies involved in the approval process of Genetically Modified (GM) crops in India from initial research to commercial release:
(A) Institutional Biosafety Committee (IBSC) → Review Committee on Genetic Manipulation (RCGM) → Genetic Engineering Appraisal Committee (GEAC) → Ministry of Environment, Forest and Climate Change (MoEFCC)
(B) RCGM → IBSC → MoEFCC → GEAC
(C) GEAC → IBSC → RCGM → MoEFCC
(D) IBSC → GEAC → RCGM → MoEFCC
(E) Answer not known

11. Match the following irrigation technologies in List I with their defining characteristics in List II:
List I: (Irrigation Technology)
P. Drip Irrigation
Q. Sprinkler Irrigation
R. Sub-surface Drip Irrigation
S. Furrow Irrigation
List II: (Characteristic)
I. Water is applied below the soil surface directly to the root zone
II. Water is sprayed into the air and falls on the soil surface like rainfall
III. Water is applied in small trenches between crop rows
IV. Water is delivered slowly, drop by drop,

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high employment in agriculture, despite lower economic output, indicates the need for continued focus on improving productivity and creating rural non-farm employment opportunities.

86. (C) District level
The Agricultural Technology Management Agency is a multi-agency platform that operates at the district level to integrate agricultural research and extension activities. By involving farmers and local stakeholders in the decision-making process, ATMA ensures that technology dissemination is tailored to the specific needs of the district. This decentralized approach helps in bridging the gap between scientific advancements and their practical application on the farm.

87. (D) Excessive labor involvement resulting in zero marginal productivity
Disguised unemployment occurs when more people are working on a farm than are actually needed to maintain its productivity. In this situation, the marginal productivity of the extra labor is zero, meaning that total output would remain the same even if some workers were removed. This is a common issue in Indian agriculture due to the lack of alternative employment opportunities in rural areas for growing family members.

88. (A) Customary inheritance laws dividing land across multiple generations
The continuous fragmentation of agricultural landholdings in India is primarily driven by customary inheritance laws. These laws require that ancestral land be divided among all legal heirs across successive generations. As the population grows and families expand, once-large plots are split into smaller, less economically viable units. This structural issue complicates the adoption of large-scale modern farming technologies and reduces overall agricultural efficiency.

89. (B) Enabling online auctions to nationwide traders to boost competition
The electronic National Agriculture Market facilitates better price discovery by allowing traders from across the country to participate in online auctions for a farmer's produce. By expanding the pool of potential buyers beyond local agents, the platform increases competition and transparency. This digital integration helps farmers receive prices that better reflect national demand, reducing the influence of local cartels and improving the transparency of the bidding process.

90. (B) Andhra Pradesh
Andhra Pradesh has emerged as a national leader in the adoption of Zero Budget Natural Farming, implementing it through a dedicated state-wide program. The policy aims to cover millions of farmers and transition them toward chemical-free agriculture. By promoting natural inputs and sustainable practices, the state seeks to reduce production costs and improve the environmental health of its farmland, serving as a model for other regions.

91. (A) Under this system, the sponsoring firm always takes over the legal ownership of the farmer's land.
Contract farming involves a legal agreement between a farmer and a firm for the production of specific crops at a predetermined price. While the firm may provide inputs and technical guidance, the ownership of the land remains with the farmer. This system helps mitigate price risks and provides farmers with access to modern technology and guaranteed markets, without resulting in the loss of their land titles.

92. (C) FCI buys at MSP to supply the PDS and maintain buffer stocks.
The Food Corporation of India plays a central role in the country's food security system by procuring grains like wheat and rice at the Minimum Support Price. These grains are then used to supply the Public Distribution System and to maintain strategic buffer stocks. This large-scale procurement operation provides a guaranteed market for farmers and ensures that food remains available and affordable for the broader population.

93. (D) Paramparagat Krishi Vikas Yojana (PKVY)
The Paramparagat Krishi Vikas Yojana is a central scheme launched to promote organic farming through a cluster-based approach. It encourages farmers to adopt traditional and natural practices and provides certification through the Participatory Guarantee System. By focusing on groups of farmers, the scheme helps create economies of scale in production

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production.
III. It is authorized to approve the commercial release of genetically modified crops in India.

Which of the statement(s) given above is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) I only
(E) Answer not known

18. Which of the following is the defining feature of Precision Agriculture?
(A) Uniform application of agricultural inputs across the field regardless of soil variability
(B) Using traditional crop rotation sequences without modern electronic intervention
(C) Managing crops using GPS and sensors to optimize yields and resource use
(D) Maintaining a reliance on manual labor to achieve pinpoint accuracy in harvesting
(E) Answer not known

19. Arrange the typical stages of Tissue Culture (Micropropagation) technology in the correct order:
1. Hardening and acclimatization in a greenhouse
2. Selection and sterilization of the explant
3. Multiplication of shoots
4. Establishment of culture on nutrient medium
5. Rooting of the in-vitro shoots

(A) 2, 4, 3, 5, 1
(B) 2, 3, 4, 1, 5
(C) 4, 2, 3, 5, 1
(D) 2, 4, 5, 3, 1
(E) Answer not known

20. What is the most significant advantage of integrating fertigation with drip irrigation systems?
(A) It significantly increases the mechanical labor and operational time for application
(B) It promotes the excessive leaching of nitrates and chemicals into groundwater
(C) It prevents the growth of soil microorganisms, rendering the soil sterile
(D) Delivering nutrients directly to the root zone to improve use efficiency
(E) Answer not known

21. Match the following digital initiatives in List I with their primary functions in List II:
List I: (Digital Initiative)
P. e-Kisan Upaj Nidhi
Q. Kisan Suvidha
R. AgriStack
S. Soil Health Card Portal
List II: (Primary Function)
I. Generates crop-specific nutrient recommendations based on soil test results
II. Provides weather, market price, and plant protection advisories
III. Offers pledge financing through digital warehouse receipts
IV. Creates a foundational farmer registry and crop sown registry
(A) P-III, Q-II, R-IV, S-I
(B) P-II, Q-III, R-I, S-IV
(C) P-IV, Q-I, R-III, S-II
(D) P-III, Q-IV, R-II, S-I
(E) Answer not known

22. Which of the following best describes Genetic Use Restriction Technology (GURT), often referred to as "terminator seeds"?
(A) Seeds engineered to produce significantly higher yields in arid or semi-arid regions
(B) Traditional seed varieties that naturally lose biological viability in cold storage
(C) Seeds engineered to be sterile in the second generation to prevent replanting
(D) Seeds modified to inhibit the growth of surrounding weeds without chemical herbicides
(E) Answer not known

23. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Golden Rice was developed using genetic engineering to address Vitamin A deficiency in populations that depend on rice as a staple food.
Reason (R): Golden Rice contains genes from maize and a soil bacterium that stimulate the synthesis of beta-carotene in the rice endosperm.
(A) Both A and R are true and R is the correct

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directly to the soil surface near the roots
(A) P-IV, Q-II, R-I, S-III
(B) P-II, Q-IV, R-III, S-I
(C) P-IV, Q-I, R-II, S-III
(D) P-I, Q-II, R-IV, S-III
(E) Answer not known

12. In the context of remote sensing in agriculture, the Normalized Difference Vegetation Index (NDVI) is most appropriately applied for which of the following purposes?
(A) Mapping the deep groundwater table levels across a specified watershed region
(B) Predicting the exact market price fluctuations of major commercial cash crops
(C) Monitoring crop health and assessing the density of green vegetation
(D) Estimating the chemical composition of synthetic urea and blended fertilizers
(E) Answer not known

13. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The commercial cultivation of Bt cotton in India has led to a significant reduction in the application of synthetic insecticides against bollworms.
Reason (R): Bt cotton contains genes from the bacterium Bacillus thuringiensis, which produce proteins toxic to specific lepidopteran pests like the cotton bollworm.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

14. Consider the following statements about AgriStack, the digital public infrastructure for agriculture in India:
I. It aims to create a unified national framework providing a unique ID for every farmer.
II. It integrates the farmer registry, crop sown registry, and village land map registry.
III. It prevents farmers from accessing subsidies by privatizing agricultural data.
IV. It facilitates seamless delivery of services like crop insurance and credit.
V. It operates as a foundational digital platform under the Digital Agriculture Mission.
Which of the statement(s) given above is/are incorrect?
(A) I, II, IV and V
(B) II, III, IV and V
(C) III, IV and V
(D) III only
(E) Answer not known

15. Which of the following is a correct description of a biological pest control agent?
(A) A pathogenic fungus employed for the control of various soil-borne plant diseases
(B) A microbial bio-pesticide used to control specific caterpillar pest species
(C) A predatory insect that feeds on aphids and other soft-bodied agricultural pests
(D) A botanical extract designed to disrupt the mating cycles of destructive insects
(E) Answer not known

16. Which of the following statements regarding the Pradhan Mantri Kisan SAMPADA Yojana is incorrect?
(A) It is a comprehensive package aimed at creating modern infrastructure with efficient supply chain management from farm gate to retail outlet.
(B) It focuses strictly on the procurement of raw agricultural commodities without any emphasis on food processing.
(C) It provides a significant boost to the growth of the food processing sector in the country.
(D) It includes components like Mega Food Parks and Integrated Cold Chain infrastructures.
(E) Answer not known

17. Consider the following statements regarding the Genetic Engineering Appraisal Committee (GEAC):
I. It functions under the Ministry of Agriculture and Farmers Welfare.
II. It is the apex body responsible for the appraisal of activities involving large-scale use of hazardous microorganisms and recombinants in research and industrial

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seasons
(B) Seed processing units that legally mandate farmers to return harvested seeds
(C) Hubs for organic produce grown by large-scale corporate farming companies
(D) Providing small farmers access to expensive farm machinery on a rental basis
(E) Answer not known

30. Which of the following statements about the Seed Act of 1966 is incorrect?
(A) It provides for the regulation of the quality of certain seeds for sale
(B) It mandates a Central Seed Committee to advise the government on technical matters
(C) Prohibiting farmers from saving or exchanging seeds under any circumstances
(D) It provides mechanisms for official notification and certification of seed varieties
(E) Answer not known

31. Match the following agricultural mechanization tools in List I with their primary functions in List II:
List I: (Agricultural Mechanization Tool)
P. Combine Harvester
Q. Power Tiller
R. Laser Land Leveler
S. Seed Cum Fertilizer Drill
List II: (Primary Function)
I. Ensuring uniform sowing of seeds and simultaneous application of fertilizers
II. Precision leveling of agricultural land to improve water use efficiency
III. Performing reaping, threshing, and winnowing in a single operation
IV. Preparing the soil, primarily used by small farmers in wetland cultivation
(A) P-III, Q-IV, R-II, S-I
(B) P-IV, Q-III, R-I, S-II
(C) P-III, Q-IV, R-I, S-II
(D) P-II, Q-I, R-IV, S-III
(E) Answer not known

32. Geographic Information System (GIS) in agriculture is most widely applied to solve which of the following problems?
(A) Developing seed varieties resilient to specific viral and bacterial pathogens
(B) Designing the complex mechanical gear systems used in modern heavy-duty tractors
(C) Measuring the real-time metabolic rates and health metrics of dairy livestock
(D) Creating spatial maps for watershed planning, land use, and agro-ecological zoning
(E) Answer not known

33. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Pheromone traps are extensively used as an integral component of Integrated Pest Management (IPM).
Reason (R): Pheromone traps emit synthetic chemical signals that attract specific male insects, thereby disrupting their mating process and helping in pest monitoring.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

34. Consider the following statements regarding CRISPR Cas9 technology in agriculture:
I. It allows for precise gene editing within a plant's genome without necessarily introducing foreign DNA.
II. In India, agricultural products developed through specific CRISPR techniques (SDN-1 and SDN-2) are exempted from stringent transgenic regulations.
III. It was primarily developed to enforce terminator seed technology globally.
Which of the statement(s) given above is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) I only
(E) Answer not known

35. Identify the incorrectly matched pair regarding fertilizer technology:
(A) Muriate of Potash - A primary bio-fertilizer containing nitrogen-fixing bacteria

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R. IARI (New Delhi)
S. NDRI (Karnal)
List II: (Focus Area)
I. Pioneering research in dairy science and animal husbandry
II. Breeding biofortified crops and research on semi-arid tropic agriculture
III. Development of widespread HYV wheat varieties leading the Green Revolution
IV. Extensive research in millets, precision farming, and state-specific crop varieties
(A) P-IV, Q-II, R-III, S-I
(B) P-II, Q-IV, R-I, S-III
(C) P-IV, Q-III, R-II, S-I
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

62. The 'DAMINI' mobile application, actively promoted among farmers by agro-meteorological departments, provides alerts regarding which specific weather phenomenon?
(A) Impending locust swarm attacks
(B) Groundwater depletion rates
(C) Lightning strikes and thunderstorm activity
(D) Frost accumulation on horticultural crops
(E) Answer not known

63. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Custom Hiring Centres (CHCs) play a crucial role in improving the agricultural productivity of small and marginal farmers.
Reason (R): CHCs allow small farmers to utilize advanced and expensive farm machinery without incurring high capital investment costs.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

64. Consider the following statements regarding post-harvest losses in Indian agriculture:
I. Poor cold chain infrastructure is a major contributor to post-harvest losses in horticultural crops.
II. Post-harvest losses are generally higher in cereal grains than in perishable fruits and vegetables.
III. Value addition and processing can significantly reduce the magnitude of these losses.
Which of the statement(s) given above is/are correct?
(A) I and III
(B) II and III
(C) I and II
(D) I only
(E) Answer not known

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65. Which of the following correctly describes a food processing category?
(A) Tertiary Processing - Producing highly processed, ready-to-eat packaged foods
(B) Primary Processing - Manufacturing of fruit jams and jellies
(C) Secondary Processing - Milling of raw wheat into flour
(D) Value Addition - Harvesting raw vegetables directly into crates
(E) Answer not known

66. Arrange the sequence of steps involved in extracting actionable agricultural data from satellite imagery:
1. Data acquisition by satellite sensors
2. Application of algorithms (e.g., NDVI calculation)
3. Pre-processing (radiometric and geometric correction)
4. Dissemination of crop health advisories to farmers
5. Image classification and feature extraction
(A) 1, 3, 2, 5, 4
(B) 1, 2, 3, 5, 4
(C) 1, 3, 5, 2, 4
(D) 1, 5, 3, 2, 4
(E) Answer not known

67. Under the PPV&FR Act, 2001, which of the following correctly describes "Breeders' Rights"?
(A) The exclusive right to produce, market, distribute, and export the variety
(B) The right to confiscate agricultural lands where unauthorized seeds are grown
(C) The right to force farmers to stop cultivating traditional indigenous varieties

42. Select the option that correctly orders the biological hierarchy involved in the tissue culture process:
(A) Whole Plant → Explant → Callus → Organs → Cell
(B) Explant → Cell → Callus → Organs → Whole Plant
(C) Callus → Explant → Cell → Whole Plant → Organs
(D) Cell → Organs → Callus → Explant → Whole Plant
(E) Answer not known

43. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The Soil Health Card scheme has faced challenges in achieving universal adoption among marginal farmers.
Reason (R): The delay in providing testing results and a lack of understanding of complex nutrient recommendations often hinder actionable usage by farmers.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

44. Consider the following statements regarding the Digital Agriculture Mission:
I. It aims to modernize the agricultural sector through technology convergence.
II. It establishes a unified farmer service interface for seamless data exchange.
III. It completely replaces the traditional agricultural extension services with mandatory AI chatbots.
IV. It promotes digital crop surveys to estimate crop areas accurately.
V. It leverages platforms like AgriStack and Krishi Decision Support System (Krishi-DSS).
Which of the statement(s) given above is/are correct?
(A) I, II, IV and V
(B) II, III, IV and V
(C) I, II and V
(D) III, IV and V
(E) Answer not known

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45. Which of the following is a correct description of a bio-pesticide?
(A) A synthetic chemical agent used to eliminate broadleaf weeds in cereal crops
(B) A specialized parasitic wasp used to control populations of sugarcane borers
(C) A specific fungal pathogen utilized for the control of harmful soil nematodes
(D) A botanical bio-pesticide extracted from the neem tree
(E) Answer not known

46. Under which major government scheme is the "Per Drop More Crop" initiative implemented?
(A) Pradhan Mantri Fasal Bima Yojana (PMFBY)
(B) Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)
(C) Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)
(D) Paramparagat Krishi Vikas Yojana (PKVY)
(E) Answer not known

47. Consider the following statements regarding Marker Assisted Selection (MAS) in crop improvement:
I. It involves introducing foreign DNA directly into the plant genome using a gene gun.
II. It uses molecular markers linked to target traits to select plants indirectly at an early seedling stage.
III. It accelerates the breeding process compared to conventional phenotypic selection.
Which of the statement(s) given above is/are incorrect?
(A) I and II
(B) I and III
(C) II and III
(D) I only
(E) Answer not known

48. Which of the following is correct regarding the core focus of the "Per Drop More Crop" component?
(A) Constructing large-scale, multipurpose dams for rural hydroelectric power
(B) Providing unlimited free electricity to

(B) Urea - A synthetic nitrogenous fertilizer
(C) DAP (Di-ammonium Phosphate) - A complex fertilizer providing both Nitrogen and Phosphorus
(D) Neem Coated Urea - A fertilizer known for preventing the diversion of agricultural urea to industrial uses
(E) Answer not known

36. Arrange the logical sequence of an Integrated Cold Chain infrastructure operation for perishable agricultural produce:
1. Cold storage facility
2. Refrigerated transport (Reefer vans)
3. Farm-level pre-cooling
4. Retail display in cold cabinets

(A) 3, 2, 1, 4
(B) 3, 1, 2, 4
(C) 1, 3, 2, 4
(D) 2, 3, 1, 4
(E) Answer not known

37. Which of the following is a key feature of the Mega Food Parks Scheme?
(A) It aims to completely eliminate the participation of private entrepreneurs in the sector
(B) Cluster-based systems linking farmers, processors, and markets through linkages
(C) It focuses on the bulk export of raw, unprocessed commodities to foreign markets
(D) It provides financial subsidies exclusively for the manufacturing of synthetic fertilizers
(E) Answer not known

38. Consider the following statements regarding the application of Blockchain technology in agriculture:
I. It provides a decentralized and immutable ledger for tracing the agricultural supply chain from farm to fork.
II. It guarantees automatic rainfall during drought periods by linking smart contracts to weather systems.
III. It facilitates transparent and rapid settlement of payments to farmers.
IV. It assists in preventing adulteration by ensuring verifiable product provenance.

Which of the statement(s) given above is/are correct?
(A) I, III and IV
(B) I, II and III
(C) I and IV
(D) II and IV
(E) Answer not known

39. What is a primary advantage of utilizing Artificial Intelligence (AI) algorithms in agriculture?
(A) The complete elimination of the requirement for manual soil testing and management
(B) Converting tractors into airborne vehicles to bypass poor rural road infrastructure
(C) Creating artificial atmospheric barriers to prevent the migration of locust swarms
(D) Detecting diseases via image recognition and forecasting yields using historical data
(E) Answer not known

40. Agro-meteorology can be best defined as:
(A) Science studying the interaction between weather, water factors, and agriculture
(B) The study of meteors and orbital space debris affecting agricultural satellites
(C) A specialized field dealing exclusively with the management of rural aquifers
(D) The science of breeding new crop varieties within indoor greenhouse environments
(E) Answer not known

41. Match the levels of food processing in List I with their appropriate examples in List II:
List I: (Level of Food Processing)
P. Primary Processing
Q. Secondary Processing
R. Tertiary Processing
S. By-product utilization
List II: (Example)
I. Converting wheat flour into fortified biscuits or ready-to-eat meals
II. Extracting rice bran oil from paddy husk
III. Cleaning, grading, and milling of raw paddy into rice
IV. Converting milled wheat into flour
(A) P-III, Q-IV, R-I, S-II
(B) P-IV, Q-III, R-II, S-I
(C) P-III, Q-I, R-IV, S-II
(D) P-I, Q-II, R-III, S-IV
(E) Answer not known

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IV. They revolutionized wheat and rice production in India.

Which of the statement(s) given above is/are correct?

(A) I, II and IV
(B) II, III and IV
(C) I and III
(D) II and III
(E) Answer not known

55. Identify the incorrectly matched pair regarding precision farming tools:

(A) Variable Rate Technology (VRT) - Applying varying rates of inputs based on needs
(B) Yield Monitors - Sensors on harvesters to measure geographical crop yield
(C) GPS Guidance Systems - Assisting tractors in maintaining straight lines
(D) Leaf Color Chart - A satellite-based laser scanner for measuring soil depth
(E) Answer not known

56. Which of the following is a primary feature of integrating the Internet of Things (IoT) in agricultural practices?

(A) Using internet-connected sensors to monitor soil moisture and trigger irrigation
(B) The use of wired, analog telephones for farmers to communicate with stations
(C) Training livestock to operate mechanical farm equipment through auditory signals
(D) Eliminating internet connectivity by using localized smoke signals for pest alerts
(E) Answer not known

57. Consider the following statements regarding the technological package of the Green Revolution in India:

I. It relied heavily on the introduction of High Yielding Variety (HYV) seeds.
II. It required a substantial increase in the application of synthetic fertilizers and pesticides.
III. It promoted the use of traditional organic farming methods over mechanization.
IV. It was heavily supported by the expansion of irrigation infrastructure.
V. It led to self-sufficiency in food grain production, notably in wheat.

Which of the statement(s) given above is/are correct?

(A) I, II, IV and V
(B) I, II, III and IV
(C) I, IV and V
(D) II, III and V
(E) Answer not known

58. What is the main advantage of Sub-surface Drip Irrigation (SDI) over conventional surface drip irrigation?

(A) SDI reduces water loss from evaporation and minimizes weed growth
(B) SDI completely eliminates the requirement for any water filtration systems
(C) SDI makes lateral pipes easily accessible for daily manual field inspection
(D) SDI requires zero mechanical pressure to operate, reducing energy costs
(E) Answer not known

59. Genetic Engineering in agriculture can be accurately defined as:

(A) Direct manipulation of genes using biotechnology to transfer DNA across species
(B) The selective breeding of two plant varieties with desirable traits over generations
(C) The process of modifying physical soil structure to alter plant root genetics
(D) The use of ionizing radiation on seeds to induce beneficial genetic mutations
(E) Answer not known

60. Select the correct order of traditional nitrogenous fertilizer application methods based on increasing efficiency and precision:

(A) Broadcasting → Band placement → Fertigation → Variable Rate Application (VRT)
(B) Fertigation → VRT → Broadcasting → Band placement
(C) VRT → Fertigation → Band placement → Broadcasting
(D) Broadcasting → Fertigation → Band placement → VRT
(E) Answer not known

61. Match the agricultural research institutions in List I with their focus areas in List II:

List I: (Agricultural Research Institution)

P. TNAU (Coimbatore)
Q. ICRISAT (Hyderabad)

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operate agricultural tube wells
(C) Promoting the use of traditional flood irrigation in water-scarce regions
(D) Improving farm-level water efficiency via micro-irrigation technologies
(E) Answer not known

49. Which of the following statements regarding Automated Weather Stations (AWS) in agriculture is incorrect?
(A) Manually recording data once a month for seasonal crop planning
(B) They collect real-time meteorological data including temperature, humidity, and rainfall
(C) They generate district-level forecasts to help formulate localized agromet advisories
(D) They assist farmers in making informed decisions regarding irrigation and pests
(E) Answer not known

50. Arrange the standard principles of Integrated Pest Management (IPM) in their strategic order of implementation:
1. Intervention (Chemical/Biological controls when thresholds are breached)
2. Prevention (Crop rotation, resistant varieties)
3. Observation (Pest monitoring and threshold assessment)

(A) 2, 3, 1
(B) 3, 2, 1
(C) 1, 2, 3
(D) 2, 1, 3
(E) Answer not known

51. Match the remote sensing components/ satellites in List I with their primary agricultural applications in List II:
List I: (Remote Sensing Component)
P. RISAT (Radar Imaging Satellite)
Q. RESOURCESAT
R. INSAT (Indian National Satellite)
S. KALPANA-1
List II: (Application)
I. Agro-meteorological forecasting and weather monitoring
II. Cloud-penetrating imaging for crop assessment during monsoons
III. Dedicated meteorological satellite for climatic observation
IV. Multispectral imaging for crop inventory and health mapping
(A) P-II, Q-IV, R-I, S-III
(B) P-IV, Q-II, R-III, S-I
(C) P-I, Q-III, R-II, S-IV
(D) P-II, Q-IV, R-III, S-I
(E) Answer not known

52. In precision farming, Drone technology (UAVs) configured for agricultural spraying primarily relies on which technology to adjust altitude and avoid obstacles over uneven terrain?
(A) Integrated sub-surface sonar sensors
(B) Manual line-of-sight visual estimation by the operator
(C) Installed deep-soil electrical conductivity meters
(D) Radar and LiDAR for terrain-following
(E) Answer not known

53. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The Genetic Engineering Appraisal Committee (GEAC) approved the environmental release of Genetically Modified (GM) Mustard (Dhara Mustard Hybrid-11).
Reason (R): GM Mustard is engineered to be herbicide-tolerant and features a robust pollination control system (barnase-barstar) to facilitate efficient hybrid seed production.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

54. Consider the following statements about High Yielding Variety (HYV) seeds developed during the Green Revolution:
I. They are typically dwarf or semi-dwarf, which prevents lodging under heavy fertilizer application.
II. They are highly responsive to chemical fertilizers and assured irrigation.
III. They naturally possess immunity against all known viral and bacterial plant diseases.

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(D) The right to ban all international agricultural imports into the country
(E) Answer not known

68. Consider the following statements about Genomics in crop improvement:
I. It involves the whole genome sequencing of crop species to understand their genetic blueprint.
II. It aids in the discovery of novel genes responsible for stress tolerance and disease resistance.
III. It completely replaces the need for field trials in modern agriculture.
IV. It enhances the precision and speed of Marker Assisted Selection.
Which of the statement(s) given above is/are correct?
(A) I, II and IV
(B) II, III and IV
(C) I and III
(D) II and IV
(E) Answer not known

69. Which of the following statements regarding the 'HarvestPlus' programme is incorrect?
(A) It is a global initiative aiming to improve nutrition and public health.
(B) It relies exclusively on providing synthetic vitamin supplements to farming communities.
(C) It promotes the development and delivery of biofortified staple food crops.
(D) It works in collaboration with institutions like ICRISAT to develop nutrient-dense crop varieties.
(E) Answer not known

70. In the context of tractor operations, GPS Guidance Systems are primarily applied to:
(A) Measure the total nutritional content of the harvested grain
(B) Monitor the engine temperature and oil pressure of the tractor
(C) Ensuring precise row navigation to reduce overlaps in seeding and spraying
(D) Automatically negotiate the sale price of the crop in real-time markets
(E) Answer not known

71. Match the following classes of seeds in List I with their characteristics in List II:
List I: (Class of Seed)
P. Nucleus Seed
Q. Breeder Seed
R. Foundation Seed
S. Certified Seed
List II: (Characteristic)
I. Progeny of foundation seed, certified by a recognized seed certification agency
II. The initial handful of seeds with 100% genetic purity, produced by the original plant breeder
III. Progeny of breeder seed, used as the basis for the production of certified seed
IV. Progeny of nucleus seed, produced under direct supervision of the breeder
(A) P-II, Q-IV, R-III, S-I
(B) P-IV, Q-II, R-I, S-III
(C) P-II, Q-III, R-IV, S-I
(D) P-I, Q-II, R-IV, S-III
(E) Answer not known

72. Which of the following is a primary feature of the 'Kisan Suvidha' mobile application?
(A) An interface providing data on dealers, market prices, and plant protection
(B) A platform used to directly challenge government policies in the Supreme Court
(C) A digital currency wallet used exclusively for agricultural trade transactions
(D) A system that remotely controls the autonomous movement of drones in the field
(E) Answer not known

73. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The adoption of agricultural mechanization leads to a reduction in the drudgery associated with farm operations.
Reason (R): Mechanization completely eliminates the need for any human involvement in agricultural management and decision-making.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct

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88. Transgenic crops are most accurately defined as:
(A) Plants containing DNA from unrelated organisms introduced artificially
(B) Plants that have been bred using only traditional cross-pollination methods
(C) Native plants that exhibit a spontaneous genetic mutation in the wild
(D) Crops that are grown entirely without the use of chemical inputs
(E) Answer not known

89. Golden Rice is specifically engineered to combat the deficiency of which vital nutrient?
(A) Iron
(B) Vitamin A
(C) Calcium
(D) Iodine
(E) Answer not known

90. Which of the following is correct regarding Trichogramma?
(A) A broad-spectrum chemical pesticide heavily subsidized by the government
(B) A minute wasp used as an egg parasitoid in biological pest control
(C) A transgenic trait introduced into cotton to resist abiotic stress
(D) A soil bacterium that fixes atmospheric nitrogen in leguminous plants
(E) Answer not known

91. Match the advanced technologies in List I with their agricultural use-cases in List II:
List I: (Advanced Technology)
P. Artificial Intelligence (AI) Chatbots
Q. Blockchain
R. Deep Learning / Image Recognition
S. Internet of Things (IoT)
List II: (Agricultural Use-Case)
I. Ensuring anti-adulteration and transparent supply chain tracking
II. Providing conversational multilingual advisories to farmers
III. Connecting field sensors to automated drip irrigation systems
IV. Detecting specific crop diseases from smartphone photographs
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-IV, Q-III, R-I, S-II
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

92. Which of the following statements about Genetic Use Restriction Technology (GURT) is incorrect?
(A) It is commonly referred to as "terminator technology."
(B) It produces plants bearing sterile seeds, compelling farmers to purchase new seeds every season.
(C) It has been widely commercialized and mandated for all staple crops across India.
(D) It faced intense global controversy leading to a de facto moratorium by international conventions.
(E) Answer not known

93. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Tissue culture technology has been instrumental in popularizing the commercial cultivation of Grand Naine banana varieties in Tamil Nadu.
Reason (R): Tissue culture ensures the rapid multiplication of genetically uniform, disease-free, and high-yielding planting materials.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

94. A farmer receives a Soil Health Card indicating a severe deficiency in soil organic carbon and zinc. Which of the following applications is the most scientifically sound recommendation?
(A) Applying heavy doses of urea and Muriate of Potash only
(B) Flooding the field continuously for a month to leach out existing nutrients
(C) Using manure or vermicompost along with zinc sulphate
(D) Spraying broad-spectrum weedicides to eliminate competition
(E) Answer not known

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control caterpillar pests
(E) Answer not known

81. Match the biological control agents in List I with the pests they manage in List II:
List I: (Biological Control Agent)
P. Trichogramma chilonis
Q. Bacillus thuringiensis (Bt)
R. Ladybird beetles
S. Trichoderma viride
List II: (Target Pest)
I. Aphids and soft-bodied insects
II. Lepidopteran caterpillars (bollworms)
III. Soil-borne pathogenic fungi (root rot/wilt)
IV. Egg parasitoid for sugarcane borers and cotton bollworms
(A) P-IV, Q-II, R-I, S-III
(B) P-II, Q-IV, R-III, S-I
(C) P-IV, Q-I, R-II, S-III
(D) P-I, Q-II, R-III, S-IV
(E) Answer not known

82. Which of the following statements about the 'e-Kisan Upaj Nidhi' is incorrect?
(A) It aims to ease the warehousing logistics for the farming community.
(B) It facilitates farmers in securing loans against their stored produce using electronic Negotiable Warehouse Receipts (e-NWR).
(C) It forces farmers to sell their produce immediately upon harvest regardless of market prices.
(D) It helps in mitigating post-harvest distress sales by providing transitional financial liquidity.
(E) Answer not known

83. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The Directorate General of Civil Aviation (DGCA) regulates the usage of agricultural drones in India.
Reason (R): Unregulated drone flights pose significant security risks and airspace management challenges.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

84. In Precision Agriculture, Variable Rate Technology (VRT) is most suitably applied to:
(A) Applying the same amount of fertilizer over a region to maintain uniformity
(B) Altering the interest rates of agricultural loans dynamically based on crop yield
(C) Varying tractor engine speed for fuel conservation without altering input rates
(D) Adjusting input rates (seed, fertilizer) on-the-fly based on spatial variations
(E) Answer not known

85. Identify the incorrectly matched pair regarding plant nutrients tested in a Soil Health Card:
(A) Primary Macronutrient - Nitrogen (N)
(B) Micronutrient - Phosphorus (P)
(C) Secondary Macronutrient - Sulphur (S)
(D) Micronutrient - Zinc (Zn)
(E) Answer not known

86. Which of the following highlights the primary application of Machine Learning (ML) algorithms in modern crop management?
(A) Mechanically tilling the soil using autonomous robotic arms
(B) Physically eliminating weeds using localized high-voltage electric shocks
(C) Using weather and crop data to provide real-time decisions and advisories
(D) Manufacturing synthetic urea directly from atmospheric nitrogen
(E) Answer not known

87. What is the fundamental advantage of establishing Cold Storage infrastructures in agricultural supply chains?
(A) They rapidly ripen all types of fruits for immediate market readiness
(B) They are highly effective at eradicating viral diseases in harvested crops
(C) They convert organic farm produce into heavily processed synthetic foods
(D) Prolonging shelf life by slowing metabolic processes and microbial growth
(E) Answer not known

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explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

74. Consider the following components of an Integrated Pest Management (IPM) strategy:
I. Utilization of pest-resistant crop varieties
II. Conservation of natural predators and parasitoids
III. Blanket application of broad-spectrum chemical pesticides on a fixed calendar schedule
IV. Use of pheromone traps for pest monitoring and mating disruption
V. Adoption of cultural practices like crop rotation and deep summer ploughing
Which of the statement(s) given above is/are correct?
(A) I, II, IV and V
(B) I, III, IV and V
(C) I, II and IV
(D) II, IV and V
(E) Answer not known

75. Identify the correctly matched pair regarding the potential applications of Blockchain in agriculture:
(A) Traceability - Recording the journey of produce to verify authenticity
(B) Weather Forecasting - Predicting monsoon patterns using cryptographic algorithms
(C) Soil Testing - Determining soil pH levels using distributed ledgers
(D) Genetic Engineering - Editing the DNA sequence of hybrid seeds securely
(E) Answer not known

76. What is the primary advantage of the 'Seed Village' concept?
(A) It encourages villagers to abandon agriculture for urban seed factories
(B) It mandates that all villages surrender traditional seeds to a repository
(C) Training farmers to produce and supply quality seeds at affordable local prices
(D) It converts the entire village layout into a massive single-crop greenhouse
(E) Answer not known

77. Which of the following best defines Bio-pesticides?
(A) Synthetic agrochemicals known for biomagnification in the global food chain
(B) Genetically modified pests engineered to consume other invasive pests
(C) Electronic devices emitting ultrasonic waves to repel biological organisms
(D) Pest agents formulated from plants, bacteria, and other natural substances
(E) Answer not known

78. Select the correct sequence representing the Hub and Spoke model of a Mega Food Park from raw material procurement to final processing:
(A) Primary Processing Centre (PPC) → Collection Centre (CC) → Central Processing Centre (CPC)
(B) Collection Centre (CC) → Primary Processing Centre (PPC) → Central Processing Centre (CPC)
(C) Central Processing Centre (CPC) → Primary Processing Centre (PPC) → Collection Centre (CC)
(D) Collection Centre (CC) → Central Processing Centre (CPC) → Primary Processing Centre (PPC)
(E) Answer not known

79. The Indian Council of Agricultural Research (ICAR), which coordinates agricultural research and education in India, operates under which Union Ministry?
(A) Ministry of Earth Sciences
(B) Ministry of Agriculture and Farmers Welfare
(C) Ministry of Science and Technology
(D) Ministry of Environment, Forest and Climate Change
(E) Answer not known

80. Which of the following statements is correct regarding Nuclear Polyhedrosis Virus (NPV) in agriculture?
(A) NPV is a harmful viral disease that affects the yield of cash crops like sugarcane
(B) NPV is a chemical compound used to coat seeds to prevent fungal infections
(C) NPV is a genetically modified trait used to increase wheat protein content
(D) NPV is a specific bio-pesticide used to

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95. Which of the following is a correct description of an activity in the food processing industry?
(A) Primary Processing - Manufacturing of tomato ketchup
(B) Secondary Processing - Extracting juice from fruits and bottling it
(C) Tertiary Processing - Drying and winnowing of harvested grains
(D) Cold Chain - Drying grains under the open sun on highways
(E) Answer not known

96. Which of the following is a primary feature of High Yielding Variety (HYV) seeds?
(A) They possess long stalks that are highly prone to lodging during winds
(B) They exhibit a slow maturation rate, occupying the field for several years
(C) They inherently repel all insect pests without any chemical intervention
(D) Higher input responsiveness, maximizing yields with fertilizers and water
(E) Answer not known

97. What is the fundamental advantage of utilizing Combine Harvesters in agriculture?
(A) Integrating reaping, threshing, and winnowing into a single operation
(B) Selectively harvesting only the ripest grains while leaving unripe grains
(C) Eliminating the requirement for any post-harvest storage facilities
(D) Improving the genetic quality of seeds for the subsequent planting season
(E) Answer not known

98. Precision Farming is best defined as:
(A) Farming practices that prioritize traditional knowledge without industrial machinery
(B) The practice of clearing forest land to ensure precisely rectangular plots
(C) Management based on observing and responding to field variability in crops
(D) The cultivation of genetically identical crops across the entire nation simultaneously
(E) Answer not known

99. Which of the following statements about the Digital Agriculture Mission is incorrect?
(A) It strictly outlaws the use of physical paper-based land records across all states immediately.
(B) It seeks to build a robust digital public infrastructure for the agricultural sector.
(C) It plans to leverage technologies like AI, Big Data, and Remote Sensing.
(D) It includes the creation of a verified registry of farmers and their sown crops.
(E) Answer not known

100. Which of the following is correct regarding the FASAL project?
(A) Relying on historical written records from village panchayats for yield estimation
(B) A rural employment generation scheme focused on constructing weather stations
(C) Providing financial subsidies to farmers for purchasing meteorological instruments
(D) Integrating technologies to issue production forecasts for food policy decisions
(E) Answer not known

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49. (A) Manually recording data once a month for seasonal crop planning
Automated Weather Stations are designed to collect and transmit real-time meteorological data, such as temperature, humidity, and rainfall, at frequent intervals. They do not rely on manual recording once a month. The data generated by these stations is essential for creating accurate localized forecasts and agromet advisories. This helps farmers make timely, informed decisions regarding irrigation scheduling, pest management, and operations.

50. (A) 2, 3, 1
Integrated Pest Management follows a logical sequence starting with prevention, using methods like crop rotation and resistant varieties to minimize pest arrival. This is followed by observation, where farmers monitor pest levels against economic thresholds. Intervention occurs only when these thresholds are breached, employing biological or chemical controls. This strategic approach ensures that pesticide use is minimized while effectively protecting the growing crop.

51. (A) P-II, Q-IV, R-I, S-III
RISAT provides cloud-penetrating radar imaging, essential for crop assessment during the monsoon season. RESOURCESAT delivers multispectral imaging for detailed crop inventory and health mapping. INSAT is used for agro-meteorological forecasting and weather monitoring across the country. KALPANA-1 was a dedicated meteorological satellite used for climatic observations. These satellite components are vital for generating accurate, large-scale agricultural data and timely weather-related warnings.

52. (D) Radar and LiDAR for terrain-following
Agricultural drones used for spraying pesticides or nutrients utilize radar and LiDAR sensors for terrain-following. These technologies allow the drone to maintain a consistent altitude over uneven fields and avoid obstacles automatically. By adjusting to the topography, drones ensure uniform application of chemicals and prevent collisions. This precision is essential for safe and effective aerial operations in complex agricultural landscapes without manual intervention.

53. (A) Both A and R are true and R is the correct explanation of A.
The Genetic Engineering Appraisal Committee approved the environmental release of Dhara Mustard Hybrid-11, which was engineered for herbicide tolerance. It utilizes the barnase-barstar system, a robust pollination control mechanism, to facilitate the production of high-yielding hybrid seeds. This technology aims to enhance domestic mustard production by providing a more efficient way to create hybrids, which typically exhibit better vigor and yield.

54. (A) I, II and IV
High Yielding Variety seeds are typically dwarf or semi-dwarf, which prevents them from falling over or lodging when heavily fertilized. They are highly responsive to chemical inputs and require assured irrigation to reach their full yield potential. While they revolutionized wheat and rice production during the Green Revolution, they do not possess universal immunity to all diseases and often require careful management.

55. (D) Leaf Color Chart - A satellite-based laser scanner for measuring soil depth
A Leaf Color Chart is a simple, inexpensive tool used by farmers to estimate the nitrogen needs of crops based on the greenness of their leaves. It is not a satellite-based laser scanner for measuring soil depth. Other tools like variable rate technology, yield monitors, and GPS guidance systems are high-tech solutions used to manage field variability and optimize resource application in farming.

56. (A) Using internet-connected sensors to monitor soil moisture and trigger irrigation
The Internet of Things in agriculture involves using a network of internet-connected sensors to monitor real-time environmental conditions, such as soil moisture and temperature. These sensors can automatically trigger irrigation systems or send alerts to farmers' smartphones. By providing continuous data, IoT enables precise resource management, reduces waste, and helps in maintaining optimal conditions for crop growth throughout the cropping season.

57. (A) I, II, IV and V
The technological package of the Green Revolution was based on high-yielding variety

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ground methods by leveraging advanced satellite technology for higher accuracy in agricultural statistics. It supports government policy and planning.

9. (B) Releasing high-yielding crop varieties and promoting precision farming to state farmers
Tamil Nadu Agricultural University plays a vital role in regional agricultural development by releasing high-yielding crop varieties and promoting precision farming techniques. The institution conducts independent research and extension activities to educate farmers on modern agronomic practices. Its efforts focus on enhancing productivity, resource efficiency, and the adoption of technology-driven solutions within the farming community to improve livelihoods and sustainability.

10. (A) Institutional Biosafety Committee (IBSC) → Review Committee on Genetic Manipulation (RCGM) → Genetic Engineering Appraisal Committee (GEAC) → Ministry of Environment, Forest and Climate Change (MoEFCC)
The regulatory pathway for genetically modified crops in India begins with the Institutional Biosafety Committee for internal review. Subsequent evaluation is performed by the Review Committee on Genetic Manipulation for contained trials. The Genetic Engineering Appraisal Committee then conducts a rigorous environmental risk assessment. Final administrative approval is granted by the Ministry of Environment, Forest and Climate Change before any commercial release.

11. (A) P-IV, Q-II, R-I, S-III
Drip irrigation delivers water slowly to the soil surface near roots. Sprinkler systems mimic rainfall by spraying water into the air. Sub-surface drip irrigation applies water directly below the soil surface to the root zone, minimizing evaporation. Furrow irrigation involves applying water through small trenches between crop rows. Each method optimizes water use based on specific crop needs and soil types.

12. (C) Monitoring crop health and assessing the density of green vegetation
The Normalized Difference Vegetation Index is a widely used remote sensing metric for monitoring crop health and vegetation density. It calculates the difference between near-infrared and red light reflected by plants. High values indicate healthy, green vegetation, while low values suggest stressed or sparse growth. This tool enables precision management by identifying spatial variations in field performance and assessing overall crop vigor.

13. (A) Both A and R are true and R is the correct explanation of A.
Bt cotton is genetically engineered to express cry proteins from Bacillus thuringiensis, which are toxic to specific lepidopteran pests like bollworms. This technology provides inbuilt resistance, significantly reducing the need for external synthetic insecticide applications. By controlling these destructive pests effectively, Bt cotton enhances yield stability and reduces the environmental footprint associated with traditional chemical pest management in cotton cultivation.

14. (D) III only
AgriStack is a digital public infrastructure designed to modernize Indian agriculture by creating a unified national framework. It integrates registries for farmers, crops, and land to facilitate the seamless delivery of services like insurance and credit. The initiative does not privatize data to prevent subsidy access; instead, it aims to improve transparency and efficiency in government support through a digital identity.

15. (B) A microbial bio-pesticide used to control specific caterpillar pest species
Microbial bio-pesticides are specialized biological agents, such as specific bacteria or fungi, used to control target pest populations like caterpillars. These agents provide an eco-friendly alternative to synthetic chemicals by exploiting natural pathogens. Integrating such biological controls is a cornerstone of integrated pest management, promoting biodiversity while effectively reducing crop damage caused by destructive insect species without harming the environment.

16. (D) It includes components like Mega Food Parks and Integrated Cold Chain infrastructures.
The Pradhan Mantri Kisan SAMPADA Yojana is a comprehensive scheme aimed at modernizing food processing infrastructure and supply chain management. It specifically includes components

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ANSWERS

1. (A) P-IV, Q-III, R-II, S-I
Tissue culture involves micropropagation to produce disease-free planting material, while marker-assisted selection uses molecular markers to accelerate conventional breeding. Genetic engineering utilizes recombinant DNA technology for trait transfer across different species. CRISPR-Cas9 is a precise gene-editing technique that does not necessarily require the introduction of transgenic DNA. These biotechnological tools collectively enhance agricultural productivity and efficiency.

2. (C) The enhancement of crop nutritional value via breeding, biotechnology, or agronomy
Biofortification is the process of increasing the density of vitamins and minerals in a crop through plant breeding, transgenic techniques, or agronomic practices. This approach aims to improve the nutritional quality of food crops at the source, providing a sustainable solution to micronutrient deficiencies in human populations globally. It focuses on enhancing staples that are widely consumed by communities.

3. (A) Both A and R are true and R is the correct explanation of A.
The government mandates neem oil coating for agricultural urea to regulate nitrogen release. Neem acts as a natural nitrification inhibitor, slowing down the conversion of urea into nitrates. This process reduces nitrogen leaching and volatilization losses while ensuring better nutrient uptake by plants. It also prevents the illegal diversion of urea for industrial uses, ensuring availability for farmers.

4. (A) I and III
The Soil Health Card Scheme promotes balanced fertilizer use by providing farmers with crop-specific nutrient recommendations. It analyzes soil for twelve parameters, including macronutrients, secondary nutrients like sulphur, and various micronutrients. This data-driven approach helps farmers optimize input costs and maintain soil fertility, leading to improved agricultural productivity and long-term environmental sustainability. It encourages the use of site-specific soil management.

5. (A) 3, 5, 2, 1, 4
The agricultural post-harvest value chain begins with harvesting and field handling to preserve initial quality. This is followed by pre-cooling and cold storage to reduce metabolic rates. Subsequent steps include sorting, grading, and packaging for market readiness. Processing and value addition transform the produce, while distribution to retail markets completes the logical sequence. Each stage is critical for reducing wastage.

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6. (C) DAMINI - Advisory app for optimal fertilizer application rates
The DAMINI mobile application is specifically designed to provide lightning alerts and thunderstorm warnings to users, protecting human lives and livestock in rural areas. It does not provide advisories for fertilizer application rates. Accurate weather-related information is crucial for farm safety and operational planning during extreme climatic events, helping farmers take timely precautions against severe weather phenomena like lightning.

7. (D) To provide a system for protecting plant varieties and the rights of farmers
The Protection of Plant Varieties and Farmers' Rights Act, 2001, establishes a legal framework in India to protect plant breeders' rights and farmers' traditional roles. It encourages the development of new plant varieties while ensuring farmers can save, use, sow, resow, exchange, or sell their farm-saved seeds. This legislation balances commercial interests with agricultural heritage and ensures biodiversity conservation.

8. (A) I, II and IV
The FASAL programme integrates remote sensing, geographic information systems, and agro-meteorological data to generate pre-harvest crop production forecasts. These forecasts are provided at national and state levels for major crops, aiding in proactive planning and food security. The system moves beyond traditional

25. (B) A state university focused on agricultural education, research, and extension
State agricultural universities are academic and research institutions dedicated to advancing agricultural science. Their mandate encompasses three primary pillars: providing higher education in agriculture, conducting location-specific research to solve regional farming problems, and facilitating extension services to transfer new technologies to farmers. These universities are instrumental in improving regional crop productivity and developing sustainable farming systems within their respective states.

26. (B) Percentage of area sown with certified seeds rather than traditional farm-saved seeds
The Seed Replacement Rate refers to the percentage of total cropped area sown with certified seeds instead of farm-saved seeds. A higher rate indicates better adoption of improved, quality-tested varieties by farmers. Increasing this rate is essential for enhancing crop yields, as certified seeds ensure genetic purity and better germination compared to traditional seeds kept from the previous year's harvest.

27. (A) Green Revolution → Gene Revolution (Bt crops) → Precision Agriculture (Drones/IoT) → Digital Agriculture Mission
Indian agriculture has evolved through distinct technological phases starting with the Green Revolution, which focused on high-yielding varieties and irrigation. This was followed by the Gene Revolution, characterized by the introduction of transgenic Bt crops. Modern advancements include precision agriculture using drones and the Internet of Things, culminating in the comprehensive Digital Agriculture Mission to integrate data-driven farming systems nationwide.

28. (C) III only
e-Kisan Upaj Nidhi is a digital platform designed to simplify warehousing and post-harvest financing for farmers. It allows for pledge loans against electronic negotiable warehouse receipts, providing liquidity and reducing the need for distress sales. The platform does not mandate selling exclusively to government agencies; instead, it empowers farmers to choose the best market timing for their stored agricultural produce.

29. (D) Providing small farmers access to expensive farm machinery on a rental basis
Custom Hiring Centres are specialized hubs that provide small and marginal farmers with affordable access to expensive agricultural machinery. By offering equipment like tractors, harvesters, and seed drills on a rental basis, these centers promote farm mechanization without requiring high individual capital investment. This model enhances operational efficiency, reduces labor drudgery, and helps in completing critical farming tasks within optimal timelines.

30. (C) Prohibiting farmers from saving or exchanging seeds under any circumstances
The Seed Act of 1966 regulates the quality of seeds for sale and establishes mechanisms for variety notification and certification. It provides for a Central Seed Committee to advise on technical matters. Importantly, the Act does not prohibit farmers from saving, using, or exchanging their own seeds, a right that is further protected under other specific Indian agricultural and biodiversity legislations.

31. (A) P-III, Q-IV, R-II, S-I
Combine harvesters perform reaping, threshing, and winnowing in one operation. Power tillers are primarily used by small farmers for wetland soil preparation. Laser land levelers provide precision leveling to improve water use efficiency across the field. Seed-cum-fertilizer drills ensure the uniform sowing of seeds alongside the simultaneous application of fertilizers. These tools collectively enhance productivity and resource management in modern farming.

32. (D) Creating spatial maps for watershed planning, land use, and agro-ecological zoning
Geographic Information Systems are utilized in agriculture to create detailed spatial maps for watershed planning, land use analysis, and agro-ecological zoning. By integrating various data layers such as soil type, topography, and climate, GIS helps in making informed decisions about resource allocation and landscape management. This technology is vital for understanding environmental patterns and optimizing the long-term sustainability of agricultural regions.

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of processing typically lead to greater value addition and profit.

66. (A) 1, 3, 2, 5, 4
The process starts with data acquisition by satellite sensors followed by pre-processing to correct radiometric and geometric errors. Algorithms like the Normalized Difference Vegetation Index are then applied to the data. Subsequent steps include image classification and feature extraction to identify crop types and conditions. Finally, the extracted information is used to disseminate actionable crop health advisories to farmers for management.

67. (A) The exclusive right to produce, market, distribute, and export the variety
Under the PPV&FR Act, 2001, breeders' rights grant the exclusive authority to produce, market, distribute, and export a protected plant variety. This legal protection encourages investment in research and development by ensuring that breeders can benefit from their innovations. However, these rights are balanced with farmers' rights, allowing for a system where new varieties are promoted while traditional practices are preserved.

68. (A) I, II and IV
Genomics involves sequencing the entire genome of crop species to understand their genetic blueprint, which helps in identifying genes for stress tolerance and disease resistance. This knowledge significantly enhances the precision and speed of marker-assisted selection in breeding programs. Although genomics provides powerful laboratory insights, field trials remain a necessary final step to evaluate actual performance of new varieties in real-world environments.

69. (B) It relies exclusively on providing synthetic vitamin supplements to farming communities.
The HarvestPlus programme is a global initiative focused on improving public health by developing and delivering biofortified staple food crops. It uses conventional breeding and biotechnology to increase the levels of essential vitamins and minerals in crops like zinc-rich wheat or iron-pearl millet. The programme does not rely on synthetic supplements; instead, it provides a sustainable, food-based solution to address deficiencies.

70. (C) Ensuring precise row navigation to reduce overlaps in seeding and spraying
GPS guidance systems in tractors are used to ensure precise row navigation, which significantly reduces overlaps and gaps during seeding, tilling, and spraying. This precision helps in optimizing the use of fuel and agricultural inputs like fertilizers and pesticides. By maintaining straight paths and accurate spacing, farmers can maximize the efficiency of their field operations and reduce the time required.

71. (A) P-II, Q-IV, R-III, S-I
Nucleus seeds have 100% genetic purity and are produced by the original breeder. Breeder seeds are the progeny of nucleus seeds. Foundation seeds are produced from breeder seeds and serve as the base for further multiplication. Certified seeds are the progeny of foundation seeds and are certified for sale to farmers. This structured multiplication system ensures that genetic quality and purity are maintained.

72. (A) An interface providing data on dealers, market prices, and plant protection
The Kisan Suvidha mobile application provides a user-friendly interface for farmers to access critical information on weather forecasts, market prices, and plant protection. It also offers data on agricultural input dealers and expert advisories. By consolidating multiple services into one platform, the app empowers farmers with the timely information needed to make better decisions, improve productivity, and enhance their overall income.

73. (C) A is true but R is false.
Agricultural mechanization is highly effective at reducing the physical drudgery and labor-intensive nature of traditional farm operations. However, it does not completely eliminate the need for human involvement. Farmers must still manage the equipment, make strategic decisions, and oversee the biological aspects of crop production. Technology serves as a tool to enhance human capability and operational efficiency rather than a replacement.

74. (A) I, II, IV and V
Integrated Pest Management focuses on using a combination of sustainable practices, including pest-resistant varieties, the conservation of

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41. (A) P-III, Q-IV, R-I, S-II
Primary processing involves cleaning, grading, and milling raw paddy into rice. Secondary processing converts materials like milled wheat into flour. Tertiary processing produces highly processed items like fortified biscuits or ready-to-eat meals. By-product utilization focuses on extracting value from waste, such as producing rice bran oil from paddy husk. These levels ensure raw commodities are transformed into safe, consumable products.

42. (B) Explant → Cell → Callus → Organs → Whole Plant
The biological hierarchy in tissue culture begins with an explant, which is a small piece of plant tissue. Individual cells from the explant are stimulated to form a callus, an undifferentiated mass of cells. Under specific hormonal conditions, the callus develops into various organs like shoots and roots. This structured development eventually leads to the regeneration of a complete, whole plant.

43. (A) Both A and R are true and R is the correct explanation of A.
The Soil Health Card scheme faces adoption hurdles among marginal farmers due to delays in receiving laboratory test results and the complexity of nutrient recommendations. Many farmers find it difficult to translate technical soil data into actionable field practices without simplified guidance. Improving the speed of testing and providing clear, localized advisory services are essential for maximizing the impact of the scheme nationwide.

44. (A) I, II, IV and V
The Digital Agriculture Mission modernizes the sector through technology convergence, creating a unified farmer service interface. It promotes digital crop surveys for accurate area estimation and leverages platforms like AgriStack and Krishi-DSS. While it incorporates AI and data-driven tools, it aims to complement rather than completely replace traditional extension services. This mission enhances transparency, efficiency, and data exchange across the agricultural ecosystem.

45. (D) A botanical bio-pesticide extracted from the neem tree
A bio-pesticide is a pest control agent derived from natural materials like plants, bacteria, or fungi. A prominent example is the botanical extract from the neem tree, which contains azadirachtin to repel and disrupt the growth of various insects. These biological agents offer a sustainable and less toxic alternative to synthetic chemical pesticides, promoting safer agricultural practices and protecting environmental health.

46. (C) Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)
The "Per Drop More Crop" initiative is a key component of the Pradhan Mantri Krishi Sinchayee Yojana. It focuses on improving farm-level water use efficiency through the adoption of micro-irrigation technologies like drip and sprinkler systems. By providing financial assistance to farmers for installing these systems, the scheme aims to maximize agricultural output per unit of water, especially in water-stressed regions.

47. (D) I only
Marker Assisted Selection uses molecular markers linked to specific traits to select desirable plants at an early stage. This method does not involve the direct introduction of foreign DNA into the plant genome, which is a characteristic of transgenic technology. MAS is highly effective because it accelerates the breeding process by allowing breeders to identify beneficial genes without waiting for full expression.

48. (D) Improving farm-level water efficiency via micro-irrigation technologies
The "Per Drop More Crop" initiative prioritizes improving water efficiency at the farm level by promoting micro-irrigation technologies. Unlike traditional flood irrigation, which is often wasteful, systems like drip and sprinkler irrigation deliver water more precisely to plants. This focus helps in conserving water resources, reducing energy costs for pumping, and enhancing overall crop productivity through better moisture management in the root zone.

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like Mega Food Parks and Integrated Cold Chains to reduce post-harvest losses. The scheme emphasizes value addition and processing rather than just procurement, ensuring that raw agricultural commodities are transformed into high-value products for the retail market.

17. (B) II and III
The Genetic Engineering Appraisal Committee functions under the Ministry of Environment, Forest and Climate Change. It serves as the apex body for appraising activities involving hazardous microorganisms and recombinants in research or industrial settings. Crucially, it is the authority responsible for approving the environmental and commercial release of genetically modified crops after conducting comprehensive biosafety and risk assessments for public safety.

18. (C) Managing crops using GPS and sensors to optimize yields and resource use
Precision agriculture involves managing crop production by observing and responding to intra-field variability. It utilizes advanced technologies like global positioning systems, sensors, and remote sensing to optimize the application of resources such as water, seeds, and fertilizers. This approach aims to maximize yields and profitability while minimizing environmental impact through site-specific management rather than treating the entire field as uniform.

19. (A) 2, 4, 3, 5, 1
Micropropagation begins with the selection and sterilization of the explant to ensure a clean start. The culture is then established on a specific nutrient medium for growth. Subsequent stages include the multiplication of shoots followed by rooting in-vitro. Finally, the plantlets undergo hardening and acclimatization in a greenhouse to prepare them for successful transplantation into field conditions as independent plants.

20. (D) Delivering nutrients directly to the root zone to improve use efficiency
Integrating fertigation with drip irrigation allows for the precise delivery of water-soluble nutrients directly to the plant root zone. This method significantly improves fertilizer use efficiency by reducing leaching and volatilization. It ensures that crops receive the required nutrients in the correct proportions throughout their growth cycle, leading to better yield quality and reduced overall chemical consumption in agricultural operations.

21. (A) P-III, Q-II, R-IV, S-I
e-Kisan Upaj Nidhi offers pledge financing through digital warehouse receipts to reduce distress sales. Kisan Suvidha provides essential advisories on weather, market prices, and plant protection. AgriStack establishes a foundational registry for farmers and crop data. The Soil Health Card Portal generates nutrient recommendations based on soil tests. These digital tools collectively enhance decision-making and transparency throughout the Indian agricultural ecosystem.

22. (C) Seeds engineered to be sterile in the second generation to prevent replanting
Genetic Use Restriction Technology involves engineering plants to produce sterile seeds in the second generation. This prevents farmers from saving and replanting seeds, compelling them to purchase fresh stock for every cropping season. Although intended to protect intellectual property for seed developers, this technology has faced significant global opposition due to its potential impact on traditional farming practices and biodiversity.

23. (A) Both A and R are true and R is the correct explanation of A.
Golden Rice is a biofortified crop developed through genetic engineering to address vitamin A deficiency. It incorporates specific genes from maize and soil bacteria to enable the biosynthesis of beta-carotene in the rice endosperm. This precursor to vitamin A gives the grain its characteristic yellow color, providing a nutritional benefit to populations where rice is consumed as a staple food.

24. (A) I, III and IV
The Kisan Drone Scheme promotes the use of unmanned aerial vehicles for tasks like pesticide spraying, nutrient application, and crop health monitoring. Drones ensure uniform coverage and reduce human exposure to chemicals. Financial assistance is provided to custom hiring centers to make this technology accessible. All agricultural drones must comply with safety regulations set by the Directorate General of Civil Aviation.

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seeds, intensive use of synthetic fertilizers, and expanded irrigation infrastructure. It emphasized farm mechanization to increase efficiency and led to India achieving self-sufficiency in food grains, particularly wheat. This model shifted agriculture away from traditional organic methods toward a high-input, high-output system that significantly increased total agricultural productivity.

58. (A) SDI reduces water loss from evaporation and minimizes weed growth
Sub-surface drip irrigation places lateral pipes below the soil surface to deliver water directly to the root zone. This configuration significantly reduces water loss from surface evaporation and limits the growth of weeds by keeping the topsoil dry. While it requires sophisticated filtration to prevent emitter clogging, the system provides superior water use efficiency and allows for easier movement of farm machinery.

59. (A) Direct manipulation of genes using biotechnology to transfer DNA across species
Genetic engineering is the direct manipulation of an organism's genes using biotechnology to alter its genetic makeup. This often involves transferring specific DNA sequences across different species to introduce desirable traits, such as pest resistance or drought tolerance. Unlike traditional selective breeding, this process is highly precise and allows for the rapid development of new varieties with specific characteristics that enhance productivity.

60. (A) Broadcasting → Band placement → Fertigation → Variable Rate Application (VRT)
Traditional broadcasting of fertilizer is the least efficient method due to high losses. Band placement improves efficiency by applying nutrients closer to the plant. Fertigation, delivering nutrients through irrigation water, ensures better uptake and precision. Variable Rate Application represents the highest level of efficiency, as it uses sensors and GPS to adjust fertilizer rates based on the specific needs of different areas.

61. (A) P-IV, Q-II, R-III, S-I
TNAU conducts extensive research on state-specific varieties and precision farming. ICRISAT focuses on biofortified crops and semi-arid tropic agriculture. IARI was instrumental in developing the high-yielding wheat varieties that drove the Green Revolution. NDRI is a premier institution for dairy science and animal husbandry. These institutions are central to the scientific advancement and modernization of various sectors within Indian agriculture.

62. (C) Lightning strikes and thunderstorm activity
The DAMINI mobile application is an initiative to provide real-time alerts regarding lightning strikes and thunderstorm activity. Developed by the Indian Institute of Tropical Meteorology, it helps users, particularly farmers working in open fields, to seek safety before dangerous weather occurs. By utilizing GPS data, the app provides localized warnings, which is critical for reducing fatalities and injuries in rural areas.

63. (A) Both A and R are true and R is the correct explanation of A.
Custom Hiring Centres significantly improve agricultural productivity by providing small and marginal farmers with access to advanced machinery on a rental basis. This eliminates the need for high capital investment, which is often a barrier for smaller holdings. By using efficient equipment for tilling, sowing, and harvesting, farmers can ensure timely operations, reduce labor costs, and achieve better crop yields.

64. (A) I and III
Inadequate cold chain infrastructure is a primary cause of high post-harvest losses in perishable horticultural crops like fruits and vegetables. These losses are generally higher than those in cereal grains, which are more stable. Implementing value addition and food processing can significantly mitigate these losses by extending the shelf life of produce and transforming raw commodities into durable and profitable products.

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65. (A) Tertiary Processing - Producing highly processed, ready-to-eat packaged foods
Tertiary processing involves the manufacturing of highly processed, ready-to-eat packaged foods, such as instant meals or snacks. Primary processing includes basic steps like cleaning and milling. Secondary processing refers to intermediate steps like extracting juice or making flour. Understanding these categories is essential for developing the food industry, as higher levels

33. (A) Both A and R are true and R is the correct explanation of A.
Pheromone traps are essential tools in integrated pest management that use synthetic chemical signals to attract specific male insects. By trapping these insects, the devices help in monitoring pest population levels and disrupting the natural mating process. This biological approach reduces the reliance on broad-spectrum chemical insecticides, providing an effective and environmentally friendly method for controlling various destructive agricultural pest species.

34. (A) I and II
CRISPR Cas9 technology allows for precise editing of a plant's genome, often without the need for foreign DNA introduction. In India, specific gene-edited products categorized as SDN-1 and SDN-2 are exempted from the stringent regulations applied to transgenic organisms. This enables faster development of improved crop varieties. The technology is primarily used for enhancing traits like disease resistance and drought tolerance.

35. (A) Muriate of Potash - A primary bio-fertilizer containing nitrogen-fixing bacteria
Muriate of Potash is a widely used mineral-based chemical fertilizer that provides potassium to plants. It is not a bio-fertilizer containing nitrogen-fixing bacteria. In contrast, urea is a synthetic nitrogenous fertilizer, while Di-ammonium Phosphate provides both nitrogen and phosphorus. Neem-coated urea is specifically treated to regulate nitrogen release and prevent the diversion of agricultural supplies for unauthorized industrial manufacturing purposes.

36. (B) 3, 1, 2, 4
An integrated cold chain for perishables starts with farm-level pre-cooling to remove field heat immediately after harvest. The produce is then moved to a cold storage facility for temporary preservation. Subsequent refrigerated transport using reefer vans maintains the temperature during transit to markets. The process concludes with retail display in cold cabinets, ensuring the produce remains fresh for the final consumer.

37. (B) Cluster-based systems linking farmers, processors, and markets through linkages
The Mega Food Parks Scheme follows a cluster-based approach to link farmers directly to processors and retail markets. It provides state-of-the-art infrastructure for food processing, including collection centers, primary processing centers, and central processing units. By creating a strong supply chain and reducing wastage, the scheme aims to increase value addition and enhance the income of farmers through private sector participation.

38. (A) I, III and IV
Blockchain technology offers a decentralized and immutable ledger that enables transparent tracing of the agricultural supply chain from farm to fork. It facilitates rapid, verifiable payment settlements to farmers and helps prevent product adulteration by ensuring provenance. While it improves logistical and financial transparency, it cannot influence natural weather events like rainfall. The technology is primarily used for record-keeping and contract management.

39. (D) Detecting diseases via image recognition and forecasting yields using historical data
Artificial intelligence algorithms enhance agriculture by using image recognition for early disease detection and analyzing historical data for yield forecasting. These tools help farmers make informed decisions about pest control and resource allocation. While AI optimizes many processes, it does not eliminate the need for physical soil management. Instead, it provides a predictive framework that increases the efficiency and accuracy of farming.

40. (A) Science studying the interaction between weather, water factors, and agriculture
Agro-meteorology is the scientific study of the interactions between meteorological factors, hydrological conditions, and agricultural practices. It focuses on how weather variables like temperature, rainfall, and humidity influence crop growth, pest outbreaks, and livestock health. This field is crucial for developing weather-based advisories that help farmers adapt their operations to changing climatic conditions, ultimately improving crop yields and ensuring farm safety.

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natural predators, and cultural practices like crop rotation. Pheromone traps are used for monitoring and disrupting pest mating. Unlike traditional methods, IPM avoids the blanket application of broad-spectrum chemicals on a fixed schedule, instead using pesticides only when specific pest thresholds are exceeded.

75. (A) Traceability - Recording the journey of produce to verify authenticity
Blockchain technology is most effectively used in agriculture for traceability, recording every step of a product's journey from the farm to the consumer. This creates a transparent and tamper-proof ledger that verifies the authenticity and quality of produce. While blockchain is a powerful tool for supply chain management and financial transactions, it is not used for biological processes like genetic engineering.

76. (C) Training farmers to produce and supply quality seeds at affordable local prices
The Seed Village concept involves training groups of farmers in a specific area to produce and supply high-quality seeds of various crops. By creating local seed production hubs, the initiative ensures that quality seeds are available to the farming community at affordable prices and at the right time. This approach increases the seed replacement rate and promotes self-reliance in seed availability.

77. (D) Pest agents formulated from plants, bacteria, and other natural substances
Bio-pesticides are specialized pest control agents formulated from naturally occurring substances such as plants, bacteria, fungi, and certain minerals. They are generally less toxic than conventional synthetic chemicals and typically affect only the target pest and closely related organisms. These biological products are biodegradable and play a vital role in integrated pest management by providing a sustainable and eco-friendly protection method.

78. (B) Collection Centre (CC) → Primary Processing Centre (PPC) → Central Processing Centre (CPC)
The hub and spoke model of a Mega Food Park starts with collection centers located near farms for initial aggregation. The produce is then sent to primary processing centers for basic cleaning, grading, and storage. Finally, the material moves to the central processing center for advanced value addition and manufacturing. This structured flow ensures efficient supply chain management and reduces post-harvest losses.

79. (B) Ministry of Agriculture and Farmers Welfare
The Indian Council of Agricultural Research is an autonomous organization that coordinates and manages agricultural research and education in India. It functions under the Department of Agricultural Research and Education within the Ministry of Agriculture and Farmers Welfare. ICAR is the largest network of agricultural institutions in the world, playing a pivotal role in developing technologies and crop varieties.

80. (D) NPV is a specific bio-pesticide used to control caterpillar pests
Nuclear Polyhedrosis Virus is a naturally occurring virus used as a specific bio-pesticide to control caterpillar pests, such as the American bollworm. It is highly selective, infecting only target insect species without harming beneficial insects, humans, or the environment. When consumed by the pest, the virus replicates internally, eventually leading to death. This biological agent is a key component of sustainability.

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81. (A) P-IV, Q-II, R-I, S-III
Trichogramma chilonis is an egg parasitoid used against borers and bollworms. Bacillus thuringiensis is used to control lepidopteran caterpillars. Ladybird beetles are natural predators that feed on aphids and other soft-bodied insects. Trichoderma viride is a beneficial fungus used to control various soil-borne pathogenic fungi. These biological agents provide an environmentally sustainable alternative to chemical pesticides by utilizing natural predatory and parasitic relationships.

82. (C) It forces farmers to sell their produce immediately upon harvest regardless of market prices.
e-Kisan Upaj Nidhi is designed to assist farmers by providing digital warehouse logistics and access to pledge loans against their stored produce. This financial support helps farmers avoid distress sales immediately after harvest when market prices are often low. The platform empowers farmers to wait for better market

infrastructure for the farming sector. It leverages AI, big data, and remote sensing to create a verified registry of farmers and crops. While it aims to modernize land records and improve data access, it does not immediately outlaw all physical paper-based records. Instead, it focuses on the progressive digitization of systems.

100. (D) Integrating technologies to issue production forecasts for food policy decisions

The FASAL project is a major initiative that integrates multiple technologies, including remote sensing and agro-meteorology, to generate accurate pre-harvest crop production forecasts. These forecasts are essential for making informed food policy decisions and managing national food security. By providing early estimates of crop yields, the system allows the government to plan effectively for procurement and storage, ensuring stability in markets.

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access. Blockchain ensures transparent supply chain tracking and prevents adulteration. Deep learning with image recognition allows for the detection of crop diseases from photographs. The Internet of Things connects field sensors to automated systems for precise irrigation. These technologies collectively transform traditional farming into a data-driven, efficient, and highly transparent industry.

92. (C) It has been widely commercialized and mandated for all staple crops across India.
Genetic Use Restriction Technology, commonly known as terminator technology, produces plants with sterile seeds to prevent replanting. While it is a significant topic in biotechnology, it has not been widely commercialized or mandated for staple crops in India. Due to intense global controversy regarding its impact on farmers' rights, a de facto moratorium on its use has been maintained by international conventions.

93. (A) Both A and R are true and R is the correct explanation of A.
Tissue culture technology has significantly boosted the commercial cultivation of Grand Naine bananas by providing farmers with high-quality planting material. The process allows for the rapid multiplication of plants that are genetically uniform and free from diseases. This ensures that the resulting crops have consistent growth patterns and high yields. Adoption of these plantlets is essential for meeting the standards of modern markets.

94. (C) Using manure or vermicompost along with zinc sulphate
For soil deficient in organic carbon and zinc, the most scientifically sound approach is the combined application of organic and inorganic amendments. Using manure or vermicompost increases soil organic matter, while zinc sulphate directly addresses the micronutrient deficiency. This integrated nutrient management improves soil structure, enhances microbial activity, and ensures that the crop has access to all essential nutrients for healthy growth.

95. (B) Secondary Processing - Extracting juice from fruits and bottling it
Secondary processing involves transforming primary agricultural products into more refined forms, such as extracting juice from fruits and bottling it. This stage adds value to the raw commodity and increases its shelf life. Primary processing involves basic tasks like drying and milling, while tertiary processing results in ready-to-eat products. Understanding these distinctions is important for developing an efficient food value chain nationwide.

96. (D) Higher input responsiveness, maximizing yields with fertilizers and water
High Yielding Variety seeds are characterized by their superior responsiveness to agricultural inputs like chemical fertilizers and managed irrigation. They are typically developed to be shorter and sturdier, which prevents lodging and allows them to carry a heavier load of grain. These varieties mature faster than traditional types, enabling farmers to grow more crops. This was the foundation of the Green Revolution's success.

97. (A) Integrating reaping, threshing, and winnowing into a single operation
The primary advantage of using a combine harvester is its ability to integrate three distinct operations—reaping, threshing, and winnowing—into a single process. This high level of mechanization significantly reduces the time and labor required for harvesting large fields. It also helps in minimizing grain losses that often occur during manual handling. These machines ensure that crops are collected efficiently during optimal windows.

98. (C) Management based on observing and responding to field variability in crops
Precision farming is an agricultural management concept based on observing, measuring, and responding to inter-field and intra-field variability in crops. It uses technology to ensure that crops and soil receive exactly what they need for optimum health and productivity. The goal is to ensure profitability and sustainability. This approach moves away from uniform treatment, instead focusing on site-specific management using data.

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99. (A) It strictly outlaws the use of physical paper-based land records across all states immediately.
The Digital Agriculture Mission is a comprehensive initiative to build a digital public

3. Steel
4. Coal

(A) 1, 2, 3, 4
(B) 1, 3, 2, 4
(C) 3, 1, 4, 2
(D) 2, 4, 1, 3
(E) Answer not known

21. Despite high economic growth, the share of the manufacturing sector in India's GDP remained stagnant at around 16-17% for decades. Which concept best explains the necessity to increase this share to 25% as envisioned in the National Manufacturing Policy 2011?
(A) Demographic dividend absorption and creation of mass employment.
(B) Transitioning directly to services without industrial development.
(C) Decreasing volume of exportable goods to strengthen the currency.
(D) Replacing capital-intensive units with primary agricultural work.
(E) Answer not known

22. Match the items in List I with the items in List II:
List I: (Industrial Region)
P. Hooghly industrial region
Q. Chotanagpur industrial region
R. Ahmedabad-Vadodara region
S. Chennai-Hosur region
List II: (State/Location)
I. Tamil Nadu
II. West Bengal
III. Jharkhand and contiguous areas
IV. Gujarat
(A) P-II, Q-III, R-IV, S-I
(B) P-III, Q-II, R-I, S-IV
(C) P-II, Q-IV, R-III, S-I
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

23. Consider the following statements of Assertion (A) and Reason (R) and choose the correct answer:
Assertion (A): The "Make in India" initiative was launched in 2014 to transform India into a global design and manufacturing hub.
Reason (R): It primarily focuses on restricting foreign direct investment across all its designated sectors to protect domestic industries.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

24. Which of the following districts is primarily classified within the major textile and knitwear industrial cluster of Tamil Nadu?
(A) Kanyakumari
(B) Ariyalur
(C) Tiruppur
(D) Nilgiris
(E) Answer not known

25. Which of the following pairs regarding industrial finance institutions is correctly matched?
(A) SIDBI - Primarily focuses on financing large-scale heavy industrial units.
(B) IDBI - Regulates the agricultural credit structure for development in rural areas.
(C) SEBI - Provides direct long-term loans for various micro-enterprises in states.
(D) IFCI - The first industrial development finance institution established in India.
(E) Answer not known

26. Which of the following is the correct chronological sequence of the launch of these major industrial initiatives?
(A) National Manufacturing Policy → Make in India → Make in India 2.0 → Atmanirbhar Bharat
(B) Make in India → National Manufacturing Policy → Atmanirbhar Bharat → Make in India 2.0
(C) National Manufacturing Policy → Atmanirbhar Bharat → Make in India → Make in India 2.0
(D) Make in India 2.0 → National Manufacturing Policy → Make in India → Atmanirbhar Bharat
(E) Answer not known

27. When comparing the manufacturing sector as a percentage of GDP between India and China, which of the following statements is true?
(A) India's share is 28%, significantly higher than China's 17%.

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CHAPTER 13
Industrial Policy and Growth in India

1. Which of the following best defines the term "Industry" in the context of economic development?
(A) Private enterprise engaged in mass manufacturing of consumer goods.
(B) Activity concerned with production of goods or provision of services.
(C) State-owned facility dedicated to extraction of natural resources.
(D) Informal sector activity focused on subsistence agricultural production.
(E) Answer not known

2. Consider the following statements regarding the pre-independence industrial base in India:
I. The modern industrial sector began to take root in India during the second half of the 19th century.
II. The early industrial development was heavily focused on capital goods and heavy machinery.
III. The Tata Iron and Steel Company (TISCO) was established at Jamshedpur in 1907.
Which of the combinations given above is/are correct?
(A) I and II
(B) II only
(C) I and III
(D) III only
(E) Answer not known

3. Match the items in List I with the items in List II:
List I: (Industrial Policy / Act)
P. Industrial Policy Resolution 1948
Q. Industrial Policy Resolution 1956
R. Industrial Policy Statement 1977
S. New Industrial Policy 1991
List II: (Key Feature)
I. Focus on small-scale and cottage industries
II. Abolition of MRTP limit and delicensing
III. Mixed economy framework with three categories
IV. Socialist pattern of society with Schedule A, B, C
(A) P-III, Q-IV, R-I, S-II
(B) P-IV, Q-III, R-II, S-I
(C) P-III, Q-I, R-IV, S-II
(D) P-I, Q-IV, R-II, S-III
(E) Answer not known

4. The Industrial Policy Resolution of 1948 classified industries into how many broad categories based on state intervention?
(A) Two categories
(B) Four categories
(C) Three categories
(D) Five categories
(E) Answer not known

5. Consider the following statements of Assertion (A) and Reason (R) and choose the correct answer:
Assertion (A): The Industrial Policy Resolution of 1956 is often considered the economic constitution of India.
Reason (R): It laid the foundation for the socialist pattern of society by classifying industries into three schedules to expand the role of the public sector.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

6. Arrange the following industrial policies and acts in chronological order of their enactment:
1. Foreign Exchange Regulation Act (FERA)
2. Monopolies and Restrictive Trade Practices (MRTP) Act
3. Industrial Policy Statement focusing on small sector
4. New Industrial Policy

(A) 2, 1, 3, 4
(B) 1, 2, 3, 4
(C) 3, 2, 1, 4
(D) 2, 3, 1, 4
(E) Answer not known

7. How many industries were placed in Schedule A (exclusive state domain) under the Industrial Policy Resolution of 1956?
(A) 12 industries
(B) 17 industries
(C) 15 industries
(D) 18 industries
(E) Answer not known

8. Which of the following pairs regarding the reduction of reserved public sectors in India is correctly matched?
(A) 1991 policy - Initially reduced reserved sectors from 17 to 10.
(B) Schedule B of 1956 - Included 17 industries for state expansion.
(C) Current reserved sectors - Atomic energy and railway operations.
(D) Dereservation limit - Total sectors reserved for state currently zero.
(E) Answer not known

9. Which of the following statements correctly describes the 'Licence Raj' system in India before 1991?
(A) Free-market mechanism allowing private entities to establish industries freely.
(B) Dismantling of government controls to accelerate foreign direct investment.
(C) Applied to foreign companies to restrict operations in the agricultural sector.
(D) System of strict government controls requiring official permits and approvals.
(E) Answer not known

10. Consider the following statements:
I. The MRTP Act of 1969 was enacted to prevent the concentration of economic power to the common detriment.
II. FERA 1973 imposed severe restrictions on foreign investment and foreign exchange transactions in India.
III. The MRTP Act was dismantled and replaced by the Competition Act in 2002.
IV. FERA was replaced by FEMA in 1999, which made foreign exchange violations a criminal offence rather than a civil offence.
Which of the above statements are correct?
(A) I, II and III
(B) II, III and IV
(C) I and IV
(D) II and IV
(E) Answer not known

11. Which of the following options represents the correct historical sequence of the reduction in the number of sectors reserved for the public enterprise domain?
(A) 17 sectors → 8 sectors → 4 sectors → 2 sectors
(B) 18 sectors → 10 sectors → 6 sectors → 3 sectors
(C) 15 sectors → 12 sectors → 5 sectors → 1 sector
(D) 17 sectors → 10 sectors → 5 sectors → 2 sectors
(E) Answer not known

12. Identify the incorrect statement regarding the Industrial Policy Statement of 1980.
(A) It focused on the modernisation of industries and increasing productivity.
(B) It was introduced during the tenure of the Janata government.
(C) It aimed to promote balanced regional development.
(D) It encouraged the integration of the private sector in national economic development.
(E) Answer not known

13. Consider the following statements regarding the New Industrial Policy of 1991:
I. It abolished the industrial licensing system for all industries without any exceptions.
II. It removed the investment threshold limits set by the MRTP Act.
III. It opened up various sectors for Foreign Direct Investment (FDI) under the automatic route.
IV. It drastically reduced the number of industries reserved for the public sector.
V. It established the Foreign Investment Promotion Board (FIPB) to facilitate FDI.
Which of the following statement(s) is/are correct?
(A) I, II, III and IV

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(B) II, III, IV and V
(C) I, III and V
(D) II, IV and V
(E) Answer not known

14. Match the items in List I with the items in List II:
List I: (Act)
P. FERA
Q. FEMA
R. MRTP Act
S. Competition Act
List II: (Characteristic)
I. Focuses on preventing abuse of dominance and combinations
II. Prevented concentration of economic power
III. Enacted in 1999 with a civil offence shift
IV. Enacted in 1973 restricting foreign exchange
(A) P-IV, Q-III, R-II, S-I
(B) P-III, Q-IV, R-I, S-II
(C) P-IV, Q-I, R-III, S-II
(D) P-II, Q-III, R-IV, S-I
(E) Answer not known

15. The Competition Commission of India (CCI) evaluates various anti-competitive practices. Which of the following is NOT a primary focus area of the Competition Act 2002?
(A) Anti-competitive agreements
(B) Abuse of dominant position
(C) Regulation of combinations (mergers and acquisitions)
(D) Compulsory licensing of small-scale industries
(E) Answer not known

16. Consider the following statements of Assertion (A) and Reason (R) and choose the correct answer:
Assertion (A): The period between 1965 and 1980 witnessed relative industrial stagnation in India.
Reason (R): Structural inefficiencies, the limits of the import substitution strategy, and severe industrial controls hampered productivity and growth.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

17. Identify the incorrectly matched pair regarding the use-based classification of the Index of Industrial Production (IIP).
(A) Primary goods - Activities involving mining and electricity production.
(B) Consumer goods - Items like heavy steel plates and industrial boilers.
(C) Capital goods - Production of specialized plant and machinery units.
(D) Intermediate goods - Materials like cotton yarn and chemical agents.
(E) Answer not known

18. What was the most appropriate economic rationale behind the gradual dereservation of the small-scale sector in India?
(A) To mandate that small-scale industries close down or move to urban areas.
(B) To create exclusive monopolies for multinational firms in consumer goods.
(C) To shift the total employment burden from manufacturing to agriculture.
(D) To enhance competitiveness, upgrade technology, and achieve scale.
(E) Answer not known

19. Consider the following statements about the Index of Industrial Production (IIP):
I. It is an index that tracks manufacturing activity in different sectors of an economy over a specific period.
II. It is published on an annual basis by the Ministry of Finance.
III. Manufacturing has the highest weightage among its sectoral components.
Which of the statements given above is/are correct?
(A) I and II
(B) II only
(C) I and III
(D) III only
(E) Answer not known

20. Arrange the following core industries in descending order of their weightage in the Index of Industrial Production (IIP):
1. Refinery Products
2. Electricity

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34. Consider the following statements about Special Economic Zones (SEZs) in India:

I. The SEZ Act was passed in 2005 to boost exports and attract foreign investment.
II. SEZs enjoy tax holidays and exemption from various duties for a stipulated period.
III. SEZs are considered foreign territory for the purpose of trade operations, duties, and tariffs.
IV. The policy mandated a single-window clearance mechanism for setting up units.
V. Land acquisition for SEZs has never faced any public controversy or resistance in India.

Which of the following statement(s) is/are correct?

(A) I, II, III and IV
(B) II, III, IV and V
(C) I, II and IV
(D) I, III and V
(E) Answer not known

35. Arrange the following milestones in India's industrial history in chronological order:

1. Establishment of the first successful modern cotton mill in Mumbai
2. Setting up of Tata Iron and Steel Company (TISCO) in Jamshedpur
3. Announcement of the first Industrial Policy Resolution
4. Establishment of the first jute mill in Rishra

(A) 1, 4, 2, 3
(B) 4, 1, 2, 3
(C) 1, 2, 4, 3
(D) 4, 2, 1, 3
(E) Answer not known

36. Among the following factors influencing the location of an industry, which is generally considered the LEAST critical for footloose industries (e.g., software or diamond cutting)?

(A) Availability of highly skilled labor forces.
(B) Access to high-speed internet and power.
(C) Proximity to heavy mineral raw materials.
(D) Connectivity to major national markets.
(E) Answer not known

37. Match the items in List I with the items in List II:

List I: (PLI Sector)

P. Mobile phones
Q. Pharmaceuticals
R. Automobiles
S. Textiles

List II: (Intended Outcome / Feature)

I. Enhancing production of man-made fibres and technical textiles
II. Boosting local manufacturing of advanced chemistry cell batteries and EVs
III. Reducing import dependence on Active Pharmaceutical Ingredients (APIs)
IV. Large-scale electronics manufacturing and global supply chain integration

(A) P-IV, Q-III, R-II, S-I
(B) P-III, Q-IV, R-I, S-II
(C) P-IV, Q-II, R-III, S-I
(D) P-II, Q-III, R-IV, S-I
(E) Answer not known

38. Consider the following statements of Assertion (A) and Reason (R) and choose the correct answer:

Assertion (A): The Industrial Relations Code 2020 aims to streamline labor laws and promote ease of doing business in India.

Reason (R): It completely prohibits the formation of trade unions in both public and private sector enterprises.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

39. Based on the transition from Make in India to Make in India 2.0, what can be logically inferred about the government's shifting industrial strategy?

(A) A shift towards complete reliance on agricultural exports.
(B) A pivot to 27 sectors aligned with Atmanirbhar Bharat.
(C) Exclusion of traditional manufacturing for a digital economy.
(D) Termination of all foreign direct investment allowances.
(E) Answer not known

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(B) India's share is 17%, whereas China's share is around 28%.
(C) India and China have an identical manufacturing share of 25%.
(D) India's share exceeds 40%, completely overshadowing China's.
(E) Answer not known

28. Consider the following statements regarding the Production Linked Incentive (PLI) scheme:
I. It offers financial incentives to companies based on incremental sales from products manufactured in India.
II. It is aimed exclusively at the agricultural and allied sectors.
III. It seeks to attract large investments and boost domestic manufacturing.
IV. Mobile phones, pharmaceuticals, and medical devices are among the key sectors covered under the scheme.
Which of the statements given above are correct?
(A) I, II and III
(B) I, III and IV
(C) I and IV
(D) II and III
(E) Answer not known

29. Match the items in List I with the items in List II:
List I: (Industrial Corridor)
P. Delhi-Mumbai Industrial Corridor (DMIC)
Q. Chennai-Bengaluru Industrial Corridor (CBIC)
R. Amritsar-Kolkata Industrial Corridor (AKIC)
S. SIPCOT
List II: (Key Feature / Node)
I. Spans across northern and eastern states of India
II. Japanese collaboration with smart cities integration
III. State-level agency for industrial estates in Tamil Nadu
IV. Focuses on electronics and aerospace with nodes in Tamil Nadu
(A) P-II, Q-IV, R-I, S-III
(B) P-IV, Q-II, R-III, S-I
(C) P-II, Q-I, R-IV, S-III
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

30. Which of the following is a distinguishing feature of the National Investment and Manufacturing Zones (NIMZ)?
(A) Small-scale industrial parks dedicated to software service sectors.
(B) Purely agricultural zones prohibiting industrial manufacturing units.
(C) Large townships integrating manufacturing with urban infrastructure.
(D) Zones under foreign jurisdiction with no application of Indian law.
(E) Answer not known

31. Consider the following statements of Assertion (A) and Reason (R) and choose the correct answer:
Assertion (A): India has emerged as one of the largest startup ecosystems globally, boasting numerous unicorn startups.
Reason (R): The Department for Promotion of Industry and Internal Trade (DPIIT) provides recognition, tax benefits, and funding facilitation to promote startups.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

32. Which of the following pairs correctly defines a "Unicorn" startup?
(A) A startup with a valuation of over 100 million USD
(B) A startup that has successfully completed an Initial Public Offering (IPO)
(C) A startup with a valuation of over 1 billion USD
(D) A startup wholly owned by the government
(E) Answer not known

33. Which of the following is NOT included in the category of the "Eight Core Industries" of India?
(A) Coal
(B) Information Technology
(C) Natural Gas
(D) Cement
(E) Answer not known

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conditions rather than forcing them to sell their produce at unfavorable prices due to illiquidity.

83. (A) Both A and R are true and R is the correct explanation of A.
The Directorate General of Civil Aviation is the regulatory body responsible for overseeing drone operations in India, including those used in agriculture. Regulation is necessary because unregulated flights can create security risks and complicate the management of national airspace. By establishing clear guidelines for pilot certification and flight zones, the DGCA ensures that agricultural drones are used safely for spraying and monitoring tasks.

84. (D) Adjusting input rates (seed, fertilizer) on-the-fly based on spatial variations
Variable Rate Technology is a cornerstone of precision agriculture that allows for the real-time adjustment of input rates, such as seeds or fertilizers, based on the spatial variability of the field. By using data from sensors and GPS, VRT ensures that resources are applied exactly where they are needed and in the correct amounts. This site-specific management maximizes efficiency and reduces waste.

85. (B) Micronutrient - Phosphorus (P)
In the context of plant nutrition, phosphorus is classified as a primary macronutrient, not a micronutrient. Primary macronutrients include nitrogen, phosphorus, and potassium, which are required by plants in large quantities. Micronutrients like zinc and boron are needed in much smaller amounts. The Soil Health Card tests for twelve parameters to provide a comprehensive view of soil fertility for farmers.

86. (C) Using weather and crop data to provide real-time decisions and advisories
Machine learning algorithms enhance crop management by analyzing large datasets of weather patterns, soil conditions, and historical yields to provide real-time decisions and advisories. These tools help in predicting pest outbreaks and optimizing irrigation schedules. While ML drives many automated systems, its primary strength lies in its ability to process complex information and generate predictive insights that help improve operational efficiency.

87. (D) Prolonging shelf life by slowing metabolic processes and microbial growth
Cold storage infrastructures are vital for agricultural supply chains because they prolong the shelf life of perishable produce by slowing down internal metabolic processes and microbial growth. By maintaining optimal temperature and humidity levels, these facilities reduce post-harvest spoilage and maintain the nutritional quality of the food. This allows for better market timing, reduces waste, and ensures a steady supply of fresh produce.

88. (A) Plants containing DNA from unrelated organisms introduced artificially
Transgenic crops are plants that have been modified using genetic engineering to contain DNA from an unrelated organism. This artificial introduction of genes allows for the expression of specific desirable traits, such as resistance to certain pests or tolerance to herbicides, which may not be possible through traditional breeding alone. These crops undergo rigorous biosafety assessments to ensure they are safe for the environment.

89. (B) Vitamin A
Golden Rice is a genetically modified variety specifically designed to address vitamin A deficiency, which is a major health concern in many developing nations. By engineering the rice to produce beta-carotene in the edible endosperm, the grain provides a dietary source of this essential precursor. This biofortification approach aims to improve the nutritional status of populations that rely heavily on rice as staples.

90. (B) A minute wasp used as an egg parasitoid in biological pest control
Trichogramma is a genus of minute wasps that serve as effective biological control agents in agriculture. These wasps act as egg parasitoids, laying their own eggs inside the eggs of various pest moths, such as bollworms and borers. This process kills the pest embryo before it can hatch and damage the crop. Using Trichogramma reduces the need for chemicals in pest management.

91. (A) P-II, Q-I, R-IV, S-III
AI chatbots provide conversational, multilingual advisories to farmers, improving information

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40. Which of the following pairs identifying the industrial specialization of a region in Tamil Nadu is incorrectly matched?
(A) Coimbatore - Engineering and textile machinery sector.
(B) Salem - Steel production and mineral processing work.
(C) Tiruppur - Petrochemicals and heavy oil refining units.
(D) Chennai - Automobile and electronics manufacturing hub.
(E) Answer not known

41. Under the 'Ease of Doing Business' reforms, what is the logical operational sequence for an investor setting up a new factory using state portals?
(A) Registration on Single Window Portal → Online submission of common application → Departmental processing → Issuance of approvals
(B) Departmental processing → Issuance of approvals → Registration on Single Window Portal → Online submission
(C) Online submission → Issuance of approvals → Departmental processing → Registration
(D) Issuance of approvals → Registration → Online submission → Departmental processing
(E) Answer not known

42. What is the primary advantage of adopting "Industry 4.0" and digital manufacturing in the Indian industrial sector?
(A) Enhanced productivity through automation, IoT, and data analytics.
(B) Total elimination of the need for an educated workforce in India.
(C) Increased reliance on traditional manual labor assembly lines.
(D) Decreasing overall output to intentionally raise product prices.
(E) Answer not known

43. Consider the following statements regarding Export Processing Zones (EPZs) in India:
I. Asia's first Export Processing Zone was set up in Kandla in 1965.
II. The EPZ model was eventually transformed and integrated into the broader Special Economic Zones (SEZ) framework.
III. EPZs were primarily designed to facilitate the domestic consumption of heavily taxed luxury goods.
Which of the statements given above is/are correct?
(A) I and II
(B) II only
(C) I and III
(D) III only
(E) Answer not known

44. Match the items in List I with the items in List II:
List I: (Era / Feature)
P. Pre-independence era
Q. 1965 to 1980
R. 1991 reforms
S. Post-2014 era
List II: (Characteristic)
I. Delicensing, deregulation, and dismantling of MRTP
II. Industrial stagnation and limits of import substitution
III. Make in India and focus on sunrise sectors
IV. Colonial industrial legacy with basic textile and jute mills
(A) P-IV, Q-II, R-I, S-III
(B) P-II, Q-IV, R-III, S-I
(C) P-IV, Q-I, R-II, S-III
(D) P-I, Q-II, R-III, S-IV
(E) Answer not known

45. What does the term "Single Window System" mean in the context of industrial policy and ease of doing business?
(A) A unified platform for submitting documents and obtaining approvals.
(B) A facility where businesses must visit every department physically.
(C) A policy restricting all industrial licenses to a single entity.
(D) A financial mechanism to pay all corporate taxes on a single day.
(E) Answer not known

46. Consider the following statements of Assertion (A) and Reason (R) and choose the correct answer:
Assertion (A): The Atmanirbhar Bharat initiative aims to build a self-reliant India by promoting domestic manufacturing and

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capabilities.
IV. It seeks to integrate Indian manufacturing with global supply chains rather than isolating it.

Which of the statements given above are correct?
(A) I, II and III
(B) I, III and IV
(C) I and IV
(D) II and III
(E) Answer not known

74. Match the items in List I with the items in List II:

List I: (Term)
P. Disinvestment
Q. Delicensing
R. Dereservation
S. Liberalisation

List II: (Definition)
I. Opening up sectors previously restricted exclusively to public or small-scale industries
II. Removal of the requirement to obtain government approval to start an industry
III. Relaxation of government restrictions to allow free market principles
IV. Selling of government equity in public sector enterprises to the private sector

(A) P-IV, Q-II, R-I, S-III
(B) P-III, Q-I, R-IV, S-II
(C) P-IV, Q-I, R-II, S-III
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

75. Which of the following is a prominent feature of the Delhi-Mumbai Industrial Corridor (DMIC)?
(A) Solely funded and operated by the World Bank without India.
(B) Smart cities developed with financial collaboration from Japan.
(C) Focusing exclusively on development of agricultural plantations.
(D) Bypassing all major urban centers to preserve rural ecology.
(E) Answer not known

76. Consider the following statements of Assertion (A) and Reason (R) and choose the correct answer:

Assertion (A): The policy of complete dereservation of the small-scale sector was ultimately implemented in India.

Reason (R): Reserving items exclusively for small-scale industries restricted technological upgradation, scaling of operations, and global competitiveness.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

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77. Which of the following pairs concerning the future of Indian industry is correctly matched?
(A) Digital manufacturing - Use of 3D printing and AI in production.
(B) Industry 4.0 - Heavy reliance on animal power for manufacturing.
(C) Green industry - Expanding coal power without emission controls.
(D) Sunset sectors - Emerging tech like AI and genomics for future.
(E) Answer not known

78. According to the mechanisms for preventing and settling industrial disputes in India, under which category does the 'Works Committee' fall?
(A) Adjudication machinery
(B) Penal mechanism
(C) Preventive machinery
(D) Financial compensation board
(E) Answer not known

79. Consider the following statements regarding the startup ecosystem in India:
I. A startup is generally recognized by the DPIIT if its period of existence and operations does not exceed 10 years from the date of incorporation.
II. Recognized startups are eligible for certain tax benefits under the Income Tax Act.
III. Startups are exempt from all environmental and labor laws permanently.
IV. The 'Fund of Funds for Startups' was established to meet their funding needs.
V. India currently hosts over a hundred recognized unicorn startups.

Which of the following statement(s) is/are correct?

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53. Consider the following statements of Assertion (A) and Reason (R) and choose the correct answer:
Assertion (A): The transition towards a "green industry" is becoming a critical component of India's future industrial policy.
Reason (R): Green industrialization promotes resource efficiency, reduces carbon footprint, and aligns with global climate change commitments.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

54. Which of the following statements correctly describes the role of SIPCOT in Tamil Nadu?
(A) Agricultural board distributing free fertilizers to farmers.
(B) Regulatory body controlling the state's stock exchanges.
(C) Central department managing major seaports in the state.
(D) Agency developing industrial estates and infrastructure.
(E) Answer not known

55. Which of the following pairs regarding the 1991 FDI liberalisation is incorrectly matched?
(A) Automatic route - Allowed FDI without prior approval in many sectors.
(B) Sector-wise limits - Imposed uniform 100% FDI instantly for all sectors.
(C) FIPB - Established to recommend FDI proposals outside the automatic route.
(D) Liberalisation impact - Led to influx of foreign capital and technology.
(E) Answer not known

56. In the context of establishing a tech-manufacturing unit, what is the logical progression of utilizing government schemes?
(A) DPIIT recognition (Startup) → Scaling up under Make in India → Claiming PLI benefits on incremental sales
(B) Claiming PLI benefits → Scaling up under Make in India → DPIIT recognition
(C) Scaling up under Make in India → Claiming PLI benefits → DPIIT recognition
(D) DPIIT recognition → Claiming PLI benefits → Scaling up under Make in India
(E) Answer not known

57. Identify the incorrect statement regarding the Small Industries Development Bank of India (SIDBI).
(A) Established for promotion, financing, and development of MSMEs.
(B) Co-ordinates functions of other institutions in similar sectors.
(C) Facilitates credit flow to small industries for entrepreneurship.
(D) Provides exclusive funding only to large multinational corporations.
(E) Answer not known

58. Consider the following statements about the Competition Commission of India (CCI):
I. It was established under the Competition Act of 2002.
II. Its primary objective is to eliminate practices having adverse effects on competition.
III. It promotes and sustains competition to protect the interests of consumers.
IV. It replaced the Monopolies and Restrictive Trade Practices (MRTP) Commission.
V. It lacks the power to penalize companies for anti-competitive agreements.
Which of the following statement(s) is/are correct?
(A) I, II, III and IV
(B) II, III, IV and V
(C) I, II and V
(D) I, III and IV
(E) Answer not known

59. Match the items in List I with the items in List II:
List I: (Region)
P. Mumbai-Pune region
Q. Jamshedpur-Chotanagpur region
R. Tiruppur
S. Bengaluru-Chennai corridor
List II: (Dominant Industrial Output)
I. Iron, steel, and heavy engineering
II. IT, electronics, and aerospace
III. Cotton textiles and petrochemicals
IV. Knitwear and ready-made garments
(A) P-III, Q-I, R-IV, S-II

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(B) P-I, Q-III, R-II, S-IV
(C) P-IV, Q-II, R-III, S-I
(D) P-III, Q-II, R-I, S-IV
(E) Answer not known

60. The Industrial Policy Resolution of 1956 was heavily influenced by the vision of a socialist pattern of society. Which of the following was NOT an objective of this policy?
(A) Acceleration of the rate of economic growth and industrialization
(B) Total privatization of all basic and strategic industries
(C) Expansion of the public sector
(D) Prevention of monopolies and concentration of economic power
(E) Answer not known

61. Consider the following statements of Assertion (A) and Reason (R) and choose the correct answer:
Assertion (A): India's rank in the World Bank's Ease of Doing Business index improved significantly post-2014.
Reason (R): The government implemented several reforms like the single window clearance, online approvals, and simplified tax regimes (e.g., GST).
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

62. Which of the following pairs of core industries and their characteristics is incorrectly matched?
(A) Coal - A primary source of energy for thermal power plants
(B) Refinery Products - Carries the highest weightage in the Index of Industrial Production (IIP)
(C) Fertilizers - A capital goods industry that exclusively exports its entire production
(D) Steel - A foundational heavy industry crucial for infrastructure development
(E) Answer not known

63. What is the most appropriate description of a "sunrise sector" in the context of Make in India 2.0?
(A) A sector in decline requiring an immediate government bailout.
(B) Traditional agricultural practices relying on solar energy.
(C) Industries completely reserved for public sector undertakings.
(D) A growing industry with high innovation and future potential.
(E) Answer not known

64. Consider the following statements regarding the linkages of industry in economic development:
I. Industrialization absorbs surplus labor from the agricultural sector, thereby reducing disguised unemployment.
II. It establishes strong forward and backward linkages, stimulating growth in both primary and tertiary sectors.
III. Industrial growth inherently leads to a perpetual deficit in the balance of trade due to raw material imports.
Which of the statements given above is/are correct?
(A) I and II
(B) II only
(C) I and III
(D) III only
(E) Answer not known

65. Based on the Industrial Policy Resolution of 1956, arrange the categories of industries from highest state control to lowest state control:
1. Schedule C industries
2. Schedule A industries
3. Schedule B industries
(A) 2, 3, 1
(B) 1, 3, 2
(C) 2, 1, 3
(D) 3, 2, 1
(E) Answer not known

66. Which economic concept best explains the eventual failure of India's pre-1991 import substitution strategy?
(A) The strategy led to intense domestic competition that lowered prices.
(B) It generated a surplus of foreign exchange causing high inflation.

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(C) It forced India to rely on exporting heavy machinery to the West.
(D) Shielding industries led to inefficiency and technological delay.
(E) Answer not known

67. Match the items in List I with the items in List II:
List I: (Legislation / Policy)
P. FEMA
Q. Competition Act
R. SEZ Act
S. National Manufacturing Policy
List II: (Year of Enactment / Announcement)
I. 2011
II. 2005
III. 2002
IV. 1999
(A) P-IV, Q-III, R-II, S-I
(B) P-III, Q-IV, R-I, S-II
(C) P-IV, Q-II, R-III, S-I
(D) P-II, Q-III, R-IV, S-I
(E) Answer not known

68. Consider the following statements of Assertion (A) and Reason (R) and choose the correct answer:
Assertion (A): The Chennai-Bengaluru Industrial Corridor (CBIC) is expected to significantly boost the electronics and aerospace sectors in Tamil Nadu.
Reason (R): The corridor is strategically aligned with major industrial nodes and ports, facilitating efficient supply chains and export logistics.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

69. Based on the use-based classification of the Index of Industrial Production (IIP), under which category does 'plant and machinery' fall?
(A) Capital goods
(B) Primary goods
(C) Intermediate goods
(D) Consumer non-durables
(E) Answer not known

70. Which of the following pairs relating to industrial location factors is correctly matched?
(A) Market proximity - Crucial for highly perishable raw materials like sugarcane
(B) Cheap labor availability - Irrelevant for the textile and garment industry
(C) Uninterrupted power supply - Least important for the aluminum smelting industry
(D) Raw material proximity - Crucial for weight-losing industries like sugar and steel
(E) Answer not known

71. Identify the correct historical sequence of industrial growth phases in post-independence India.
(A) Heavy industry push → Industrial stagnation → Liberalisation and delicensing → Make in India
(B) Liberalisation and delicensing → Heavy industry push → Make in India → Industrial stagnation
(C) Make in India → Heavy industry push → Industrial stagnation → Liberalisation
(D) Industrial stagnation → Make in India → Liberalisation → Heavy industry push
(E) Answer not known

72. When comparing FERA (1973) with FEMA (1999), which of the following represents a fundamental shift in regulatory philosophy?
(A) FERA aimed at trade facilitation while FEMA aimed at conservation.
(B) FERA was aligned with 1991 reforms while FEMA reversed policy.
(C) FERA treated violations as criminal while FEMA treats them as civil.
(D) FERA allowed 100% FDI while FEMA banned foreign investment totally.
(E) Answer not known

73. Consider the following statements about the Atmanirbhar Bharat initiative:
I. It translates to 'Self-Reliant India' and was highly emphasized during the post-pandemic economic recovery phase.
II. It promotes import substitution by banning all imports globally.
III. The Production Linked Incentive (PLI) scheme is a core component aimed at boosting domestic manufacturing

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ANSWERS

1. (B) Activity concerned with production of goods or provision of services.
Industry encompasses various activities focused on transforming raw materials into finished products or delivering specialized services to consumers. It serves as a vital pillar for economic development by driving wealth creation and technological progress. This broad definition includes large-scale manufacturing, mining, and service-based utilities that contribute significantly to national output, employment, and overall economic modernization.

2. (C) I and III
Modern industrialization in India began during the mid-nineteenth century, primarily with cotton and jute textiles. A significant milestone was the 1907 establishment of the Tata Iron and Steel Company in Jamshedpur. However, early development lacked a capital goods base, as the colonial economy remained focused on consumer goods rather than heavy machinery and industrial infrastructure.

3. (A) P-III, Q-IV, R-I, S-II
India's industrial policies evolved through distinct phases to meet developmental goals. The 1948 resolution introduced a mixed economy, while the 1956 policy established a socialist pattern with three schedules. The 1977 statement prioritized cottage and small-scale sectors to boost rural employment. Finally, the 1991 policy ushered in liberalization by removing licensing and the restrictive MRTP limits.

4. (C) Three categories
The Industrial Policy Resolution of 1948 was the first post-independence framework defining the state's economic role. It divided industries into categories based on the degree of government control. These included strategic industries under state monopoly, basic industries where new units were state-led, and a remaining sector open to private enterprise, though subject to government regulation.

5. (A) Both A and R are true and R is the correct explanation of A.
The Industrial Policy Resolution of 1956 is hailed as the economic constitution due to its comprehensive framework for state-led industrialization. It aimed to establish a socialist pattern of society by classifying industries into three specific schedules. This ensured the public sector dominated strategic areas, while allowing the private sector to function under a regulated planning environment.

6. (A) 2, 1, 3, 4
India's industrial regulations followed a specific timeline to manage economic growth and foreign exchange. The MRTP Act was enacted in 1969 to control monopolies, followed by FERA in 1973 for exchange regulation. The 1977 policy focused on the small-scale sector during the Janata government tenure. Ultimately, the New Industrial Policy was launched in 1991 to liberalize the economy.

7. (B) 17 industries
Schedule A of the Industrial Policy Resolution of 1956 consisted of industries that were the exclusive responsibility of the state. This category included seventeen strategic sectors such as arms, ammunition, atomic energy, iron and steel, and heavy machinery. The objective was to ensure government control over basic and strategic industries to drive planned economic development and social welfare.

8. (C) Current reserved sectors - Atomic energy and railway operations.
Following the liberalization reforms of 1991, the number of industries reserved exclusively for the public sector was drastically reduced. Initially, seventeen sectors were reserved, but subsequent phases of deregulation opened most areas to private participation. Currently, only atomic energy and specific railway operations remain under state reservation, reflecting a significant shift toward a more market-oriented industrial framework.

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(A) I, II, IV and V
(B) I, II, III and IV
(C) II, III and V
(D) I, III and IV
(E) Answer not known

80. In the context of industrial linkages, what does "backward linkage" primarily refer to?
(A) An industry supplying its finished products to another industry.
(B) The process of an industry relocating from urban to rural areas.
(C) An industry generating demand for raw material and component inputs.
(D) Reversion of modern manufacturing to traditional manual labor.
(E) Answer not known

81. Under the New Industrial Policy of 1991, what significant change was made regarding the MRTP Act?
(A) The MRTP threshold limit was raised to restrict only foreign firms.
(B) Investment threshold limits for MRTP companies were abolished.
(C) MRTP was strictly enforced on all small-scale industries locally.
(D) MRTP companies were given monopoly rights over essential goods.
(E) Answer not known

82. How many industries were placed under Schedule B (mixed sector where the state would increasingly establish new units) in the Industrial Policy Resolution of 1956?
(A) 10 industries
(B) 12 industries
(C) 15 industries
(D) 17 industries
(E) Answer not known

83. Which of the following statements correctly explains the "automatic route" for Foreign Direct Investment (FDI) in India?
(A) No prior approval from Government or RBI needed for specified sectors.
(B) Investors must seek prior approval from RBI and Government beforehand.
(C) Foreign investment is automatically converted into government equity.
(D) Only Non-Resident Indians are permitted to invest without checks.
(E) Answer not known

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84. Identify the incorrect statement regarding the role of the manufacturing sector in employment generation in India.
(A) Crucial for absorbing surplus workforce migrating from agriculture.
(B) Targets the creation of millions of additional manufacturing jobs.
(C) Manufacturing employment grew much faster than the service sector.
(D) Labor-intensive sectors like textiles are vital for mass employment.
(E) Answer not known

85. During the pre-independence era, the colonial industrial legacy left India with a fragmented industrial base. Which of the following industries was NOT established on a significant scale during British rule?
(A) Electronics and semiconductors
(B) Cotton textiles
(C) Jute textiles
(D) Iron and steel (TISCO)
(E) Answer not known

86. What was the core purpose of conceptualizing National Investment and Manufacturing Zones (NIMZ) in the 2011 policy?
(A) To strictly regulate and reduce the output of heavy industries.
(B) To act as temporary shelters for industries displaced by disaster.
(C) To serve exclusively as import hubs for foreign consumer goods.
(D) To create massive industrial townships with world-class infrastructure.
(E) Answer not known

87. The design of the Production Linked Incentive (PLI) scheme hinges on rewarding 'incremental sales'. Which economic behavior does this specific design aim to incentivize among manufacturers?
(A) Maintaining current production levels and increasing retail prices.
(B) Scaling up capacity and expanding share to earn higher subsidies.
(C) Downsizing the workforce to increase margins on existing sales.

(D) Shifting all manufacturing operations to neighboring countries.
(E) Answer not known

88. In the Index of Industrial Production (IIP), which sectoral component holds the maximum weightage?
(A) Mining
(B) Electricity
(C) Manufacturing
(D) Agriculture
(E) Answer not known

89. When comparing the original "Make in India" (2014) with "Make in India 2.0", what is a distinguishing feature of the latter?
(A) Focuses exclusively on defense, abandoning all other 24 sectors.
(B) Explicitly bans foreign investment to ensure total self-reliance.
(C) Shifted focus entirely to services as original policy was a failure.
(D) Emphasizes 27 sectors and alignment with Atmanirbhar Bharat vision.
(E) Answer not known

90. A key feature of the industrial parks developed by SIPCOT in Tamil Nadu is that they:
(A) Provide infrastructure like roads and power for rapid industrial setup.
(B) Are located exclusively within the metropolitan limits of Chennai city.
(C) Prohibit the entry of all foreign multinational companies into parks.
(D) Focus solely on processing raw agricultural produce without manufacturing.
(E) Answer not known

91. Under the use-based classification of the IIP, to which category do items like 'cement' and 'bricks' typically belong, given their use in further construction?
(A) Typical consumer durables.
(B) Intermediate or infrastructure goods.
(C) Typical consumer non-durables.
(D) Primary or basic goods.
(E) Answer not known

92. Which of the following is considered the LEAST likely outcome of the New Industrial Policy of 1991?
(A) Increased foreign direct investment in core sectors.
(B) Complete elimination of the Indian private sector.
(C) Enhanced competition in the domestic market.
(D) Improved access to advanced foreign technology.
(E) Answer not known

93. Given the emphasis on generating employment in the manufacturing sector through policies like Make in India, what can be inferred about India's demographic structure?
(A) Large young working-age population requiring jobs outside agriculture.
(B) Rapidly aging population with a shrinking workforce across the state.
(C) Population skewed towards urban elites requiring high-end IT work.
(D) Severe labor shortage across all industrial sectors in the country.
(E) Answer not known

94. What is the principal advantage of transitioning to an online approval system and a single-window portal for industrial clearances?
(A) It increases the number of government departments for verification.
(B) It intentionally delays setup to filter out non-serious investors.
(C) It reduces red-tape, cuts approval times, and enhances transparency.
(D) It restricts foreign investors from participating in the market.
(E) Answer not known

95. Consider the following statements about small-scale sector reservation in India:
I. The policy of reserving certain products for exclusive manufacture by the small-scale sector was initiated in the 1960s.
II. The Abid Hussain Committee (1997) strongly recommended the continuation and expansion of this reservation policy.
III. Ultimately, the government completed the process of dereservation to enhance the sector's global competitiveness.
Which of the statements given above is/are correct?
(A) I and II

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(B) I and III
(C) II only
(D) III only
(E) Answer not known

96. Consider the following statements regarding the Industrial Development Bank of India (IDBI):
I. It was established to provide credit and other financial facilities for the development of the Indian industry.
II. It initially functioned as a wholly owned subsidiary of the Reserve Bank of India.
III. Over time, it was transformed into a commercial bank.
IV. It currently serves as the sole regulator for the Indian stock markets.
Which of the statements given above are correct?
(A) I, II and III
(B) II, III and IV
(C) I and IV
(D) II and IV
(E) Answer not known

97. Consider the following statements about the Amritsar-Kolkata Industrial Corridor (AKIC):
I. It is aimed at facilitating the industrial development of the densely populated northern and eastern states.
II. The corridor aligns with the alignment of the Eastern Dedicated Freight Corridor (EDFC).
III. It completely bypasses the state of Uttar Pradesh.
IV. It is expected to boost manufacturing and create immense employment opportunities in the region.
V. It promotes the establishment of Integrated Manufacturing Clusters (IMCs).
Which of the following statement(s) is/are correct?
(A) I, II, III and IV
(B) I, II, IV and V
(C) I, III and V
(D) II, III and IV
(E) Answer not known

98. The MRTP Act of 1969 was designed to address various economic concerns. Which of the following was the LEAST relevant to its original mandate?
(A) Preventing the concentration of economic power
(B) Controlling monopolies
(C) Prohibiting restrictive trade practices
(D) Promoting the unrestricted influx of Foreign Direct Investment (FDI)
(E) Answer not known

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99. The success of the PLI scheme in the mobile manufacturing sector has led to India becoming a major mobile phone manufacturer globally. What can be directly inferred from this outcome regarding the scheme's design?
(A) Effectively bridged the cost disability faced by local manufacturers.
(B) Mobile phones were already being manufactured without imported parts.
(C) Forced foreign countries to transfer proprietary technology for free.
(D) Success is entirely due to the banning of all imported electronics.
(E) Answer not known

100. From an economic standpoint, what is the most significant macro-economic advantage of offering prolonged tax holidays to units located within Special Economic Zones (SEZs)?
(A) Permanently eliminates the need to collect income tax from citizens.
(B) Encourages companies to avoid labor laws within designated regions.
(C) Attracts massive investment to boost exports and exchange reserves.
(D) Shifts domestic consumption entirely towards imported foreign goods.
(E) Answer not known

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reducing import dependence.
Reason (R): This policy advocates for complete economic isolation and the severing of all international trade relations.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

47. Which of the following pairs regarding industrial governance is correctly matched?
(A) Factories Act - Focuses on corporate tax calculations.
(B) Trade Unions Act - Mandates privatization of state units.
(C) Industrial Disputes Act - Deals with property disputes.
(D) Occupational Safety Code - Regulates workplace standards.
(E) Answer not known

48. Following the successive phases of dereservation since 1991, which two sectors are currently reserved exclusively for the public sector in India?
(A) Coal mining and civil aviation
(B) Telecommunications and heavy machinery
(C) Atomic energy and specified railway operations
(D) Space exploration and petroleum refining
(E) Answer not known

49. Consider the following statements regarding industrial disputes and labor relations in India:
I. Industrial disputes can arise due to wages, working conditions, or retrenchment issues.
II. The Industrial Relations Code 2020 consolidates previous labor laws to streamline dispute resolution.
III. Strikes and lockouts are illegal under all circumstances in registered manufacturing industries.
IV. Works committees and conciliation officers play a preventive role in escalating industrial disputes.
Which of the statements given above are correct?
(A) I, II and IV
(B) I, III and IV
(C) I and II
(D) III and IV
(E) Answer not known

50. Arrange the following shifts in India's industrial approach in the correct historical sequence:
1. Introduction of the New Industrial Policy (Liberalization)
2. Emphasis on Heavy Industries (Mahalanobis Model)
3. Focus on Small Scale Industries (Janata Government)
4. Launch of the Make in India initiative
(A) 2, 3, 1, 4
(B) 2, 1, 3, 4
(C) 3, 2, 1, 4
(D) 1, 2, 3, 4
(E) Answer not known

51. What is the current base year used for calculating the Index of Industrial Production (IIP) in India?
(A) 2004-05
(B) 2011-12
(C) 2015-16
(D) 2020-21
(E) Answer not known

52. Match the items in List I with the items in List II:
List I: (PLI Parameter)
P. Investment attracted
Q. Incremental sales
R. Sector-wise incentive
S. Employment generation
List II: (Description)
I. Financial reward based on the year-on-year growth of manufactured goods
II. The target to create direct and indirect jobs in manufacturing
III. Differentiated subsidy percentages allocated to pharmaceuticals, textiles, etc.
IV. Capital infused by domestic and foreign companies to set up new facilities
(A) P-IV, Q-I, R-III, S-II
(B) P-I, Q-IV, R-II, S-III
(C) P-IV, Q-II, R-I, S-III
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

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9. (D) System of strict government controls requiring official permits and approvals.
The Licence Raj refers to the elaborate system of licenses and regulations that governed Indian industry before 1991. Businesses required government permission to start, expand, or diversify production. This centralized control aimed at planned development but often led to inefficiencies and corruption. The 1991 reforms dismantled this system for most industries to promote competition and ease of business.

10. (A) I, II and III
Industrial regulations have undergone significant changes to promote competition and efficiency. The MRTP Act of 1969 prevented economic concentration, while FERA 1973 strictly controlled foreign exchange. Both were eventually replaced by the Competition Act 2002 and FEMA 1999 respectively. Unlike FERA, which treated violations as criminal, FEMA shifted exchange management toward a civil framework to facilitate international trade.

11. (A) 17 sectors → 8 sectors → 4 sectors → 2 sectors
The process of opening the Indian economy involved a systematic reduction in the number of sectors reserved for the public enterprise domain. Starting with seventeen reserved industries under the 1956 policy, the list was pruned to eight in 1991. Subsequent reforms further reduced this number to four, and eventually to two, representing a major transition towards private participation.

12. (B) It was introduced during the tenure of the Janata government.
The Industrial Policy Statement of 1980 was introduced when the Congress government returned to power, not during the Janata government's tenure. It focused on removing regional imbalances, promoting modernization, and increasing industrial productivity. This policy aimed to integrate the private sector more effectively into national development while emphasizing the need for technological upgrades and better utilization of existing capacities.

13. (B) II, III, IV and V
The New Industrial Policy of 1991 transformed the industrial landscape by abolishing MRTP investment limits and reducing public sector reservations. It facilitated foreign investment through the automatic route and established the Foreign Investment Promotion Board. While it significantly reduced industrial licensing, it did not abolish it for all industries, as certain strategic and hazardous sectors remained under government control.

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14. (A) P-IV, Q-III, R-II, S-I
Legal frameworks in India have shifted from restrictive controls to facilitative regulations. FERA 1973 focused on conserving foreign exchange through rigid rules, while FEMA 1999 simplified transactions. Similarly, the MRTP Act originally controlled the size of large firms to prevent monopolies. This was replaced by the Competition Act, which focuses on preventing anti-competitive agreements and the abuse of market dominance.

15. (D) Compulsory licensing of small-scale industries
The Competition Act of 2002 established a modern framework to promote healthy market competition. Its primary functions include prohibiting anti-competitive agreements, preventing the abuse of a dominant position by large firms, and regulating combinations like mergers and acquisitions. It does not focus on compulsory licensing for small-scale industries, as that falls under industrial licensing and sectoral development policies.

16. (A) Both A and R are true and R is the correct explanation of A.
Between 1965 and 1980, the Indian industrial sector experienced a period of relative stagnation and slow growth. This was largely due to structural rigidities and the limitations of an inward-looking import substitution strategy. Excessive bureaucratic controls and a lack of technological modernization hampered productivity, making it difficult for industries to achieve the growth rates seen in earlier years.

17. (B) Consumer goods - Items like heavy steel plates and industrial boilers.
The Index of Industrial Production classifies items based on their nature and final usage. Heavy steel plates and industrial boilers are considered capital or intermediate goods because they are used in further production processes. In

products and updated weightages for different manufacturing categories.

52. (A) P-IV, Q-I, R-III, S-II
The Production Linked Incentive scheme operates on several key parameters to drive industrial growth. Companies must infuse capital to set up facilities, attracting significant investment. Financial incentives are then provided based on the incremental sales of manufactured goods. These incentives vary across sectors like textiles and pharmaceuticals, with the ultimate goal of generating large-scale employment and boosting domestic production capacity.

53. (A) Both A and R are true and R is the correct explanation of A.
Green industrialization is becoming a central theme in modern economic policy to ensure sustainable development. By promoting resource efficiency and reducing carbon emissions, this approach aligns industrial growth with international environmental commitments. Adopting green practices helps industries minimize their ecological footprint while remaining competitive in a global market that increasingly prioritizes sustainability and responsible production methods.

54. (D) Agency developing industrial estates and infrastructure.
The State Industries Promotion Corporation of Tamil Nadu is a vital state-level agency dedicated to industrial growth. Its primary role is to identify and develop large-scale industrial complexes and parks across the state. By providing essential infrastructure like roads, water, and power, SIPCOT enables companies to set up units quickly, fostering balanced regional development and making Tamil Nadu a preferred investment destination.

55. (B) Sector-wise limits - Imposed uniform 100% FDI instantly for all sectors.
The liberalization of Foreign Direct Investment in 1991 was a gradual process rather than an immediate, uniform opening of all sectors. While the automatic route allowed investment without prior approval in many areas, the government maintained specific sector-wise limits and caps. Some strategic or sensitive sectors remained restricted or required approval through the Foreign Investment Promotion Board to balance economic growth with national interests.

56. (A) DPIIT recognition (Startup) → Scaling up under Make in India → Claiming PLI benefits on incremental sales
For a tech-manufacturing venture, the logical progression involves first gaining recognition as a startup from the DPIIT to access initial benefits. As the business matures, it can scale its operations under the broader Make in India framework. Finally, once production reaches significant levels, the company can apply for PLI benefits, which reward the incremental sales achieved through increased domestic manufacturing capacity.

57. (D) Provides exclusive funding only to large multinational corporations.
The Small Industries Development Bank of India was established specifically to support the MSME sector, not large multinational corporations. Its mandate includes providing direct and indirect finance to small enterprises to encourage entrepreneurship and technological upgrades. SIDBI also coordinates the functions of various institutions engaged in similar activities, ensuring a robust credit flow to the vital small-scale segment of the Indian economy.

58. (A) I, II, III and IV
The Competition Commission of India was established to ensure fair market practices following the repeal of the MRTP Act. Its primary mission is to protect consumer interests by preventing anti-competitive agreements and the abuse of dominant market positions. The CCI has significant powers to investigate and penalize companies that engage in practices that harm competition, thereby fostering a more efficient and transparent economic environment.

59. (A) P-III, Q-I, R-IV, S-II
Industrial clusters in India are defined by their dominant outputs. The Mumbai-Pune region is a major center for textiles and petrochemicals. The Chotanagpur belt specializes in iron, steel, and heavy engineering due to its mineral wealth. Tiruppur is famous for knitwear and ready-made garments. Meanwhile, the Bengaluru-Chennai corridor has emerged as a high-tech

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manufacturing's GDP share. This was followed by the 2014 Make in India campaign. Later, Make in India 2.0 was introduced to refine sectoral focus, while the Atmanirbhar Bharat initiative was launched in 2020 for self-reliance.

27. (B) India's share is 17%, whereas China's share is around 28%.
A comparison of manufacturing sectors reveals that China has a much larger share of manufacturing in its GDP, often exceeding twenty-eight percent. In contrast, India's manufacturing share has remained relatively stagnant at around seventeen percent for several decades. Closing this gap is a primary objective of India's current industrial policies to drive economic growth and provide mass-scale employment opportunities.

28. (B) I, III and IV
The Production Linked Incentive scheme is a cornerstone of India's manufacturing strategy, offering financial rewards for incremental sales. It targets specific sectors like mobile phones, pharmaceuticals, and medical devices to attract large-scale investments. By incentivizing domestic production, the scheme aims to reduce import dependence and integrate Indian manufacturers into global supply chains, rather than focusing on the agricultural sector.

29. (A) P-II, Q-IV, R-I, S-III
Industrial corridors are designed to create world-class infrastructure along major transport routes. The Delhi-Mumbai corridor features smart cities developed with Japanese collaboration. The Chennai-Bengaluru corridor focuses on high-tech sectors like electronics and aerospace. Meanwhile, the Amritsar-Kolkata corridor spans northern and eastern states. In Tamil Nadu, SIPCOT acts as the state agency responsible for developing dedicated industrial estates.

30. (C) Large townships integrating manufacturing with urban infrastructure.
National Investment and Manufacturing Zones are a key feature of the 2011 National Manufacturing Policy. They are designed as large integrated industrial townships that combine manufacturing units with modern urban infrastructure and social amenities. These zones aim to create a conducive environment for industrial growth by offering simplified regulations, world-class logistics, and a self-sustaining ecosystem for workers and businesses.

31. (A) Both A and R are true and R is the correct explanation of A.
India has rapidly become one of the world's leading startup hubs, fueled by innovation and supportive government policies. The Department for Promotion of Industry and Internal Trade plays a crucial role by providing official recognition and facilitating access to funding and tax incentives. These measures have encouraged entrepreneurship, leading to a surge in high-value companies and the overall ecosystem growth.

32. (C) A startup with a valuation of over 1 billion USD
In the global business ecosystem, a "Unicorn" refers to a privately held startup company that reaches a valuation of over one billion US dollars. This term highlights the rarity and significant success of such ventures in the competitive market. India has seen a rapid increase in the number of unicorns across sectors like technology, finance, and e-commerce, reflecting its robust entrepreneurship.

33. (B) Information Technology
The Eight Core Industries comprise the most fundamental sectors of the Indian economy, including coal, crude oil, natural gas, refinery products, fertilizers, steel, cement, and electricity. While Information Technology is a major contributor to India's GDP and service exports, it is not classified as a core industry within this specific manufacturing-focused group used to measure industrial infrastructure and production trends.

34. (A) I, II, III and IV
Special Economic Zones were established under the 2005 Act to promote exports through duty-free enclaves and fiscal incentives. These zones are treated as foreign territories for trade purposes and offer single-window clearances to investors. However, the policy has occasionally faced challenges, as land acquisition for large-scale SEZ projects has led to public resistance and controversies in various parts of the country.

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contrast, consumer goods refer to items produced for final consumption by individuals, such as food products, electronics, and household items, rather than industrial equipment.

18. (D) To enhance competitiveness, upgrade technology, and achieve scale.
Dereservation of the small-scale sector was a strategic move to eliminate inefficiencies and promote growth. By allowing larger firms to enter these segments, the policy encouraged competition and the adoption of modern technology. This helped domestic units achieve economies of scale, making them more competitive in the global market and improving the overall quality of products available to consumers.

19. (C) I and III
The Index of Industrial Production is a key economic indicator that tracks short-term changes in the volume of industrial production. It is published monthly by the National Statistical Office under the Ministry of Statistics and Programme Implementation. Manufacturing constitutes the largest component of the index, reflecting its critical role in the economy compared to the mining and electricity sectors.

20. (A) 1, 2, 3, 4
The Index of Eight Core Industries tracks the performance of key sectors that represent a large portion of India's industrial activity. Among these, petroleum refinery products hold the highest weightage, followed by electricity generation and steel production. Coal production also plays a significant role but carries a lower relative weight compared to the primary energy and foundational infrastructure sectors.

21. (A) Demographic dividend absorption and creation of mass employment.
Increasing the share of manufacturing in GDP is essential for India to utilize its large working-age population. As people move away from low-productivity agriculture, the manufacturing sector provides the necessary scale to absorb millions of workers into formal jobs. This transition is vital for capitalizing on the demographic dividend and ensuring sustainable, inclusive economic growth through mass-scale industrial employment.

22. (A) P-II, Q-III, R-IV, S-I
Industrial regions in India are concentrated near raw material sources or coastal transport hubs. The Hooghly region in West Bengal was historically driven by jute textiles. The Chotanagpur region spans Jharkhand and neighboring areas, focusing on minerals and steel. The Ahmedabad-Vadodara region in Gujarat is a major textile and chemical hub, while the Chennai-Hosur region specializes in automobiles.

23. (C) A is true but R is false.
The "Make in India" initiative was launched in 2014 to transform the nation into a global manufacturing hub by improving infrastructure and ease of doing business. Contrary to restricting investment, it actively encourages Foreign Direct Investment across twenty-five designated sectors. By opening up the economy, the policy aims to attract global capital and technology to boost domestic production and exports.

24. (C) Tiruppur
Tiruppur is globally recognized as a premier hub for the textile and knitwear industry in Tamil Nadu. The district contributes significantly to India's total garment exports, earning it the reputation of being the knitwear capital of the country. This industrial cluster provides extensive employment and supports a vast network of ancillary units involved in spinning, dyeing, printing, and garment manufacturing.

25. (D) IFCI - The first industrial development finance institution established in India.
The Industrial Finance Corporation of India was the pioneer development finance institution established in 1948 to provide long-term credit to the industrial sector. While other institutions like SIDBI focus on small enterprises and IDBI supports diverse industrial development, IFCI holds historical significance for initiating institutional finance. These organizations collectively ensure that industries have access to necessary capital for growth.

26. (A) National Manufacturing Policy → Make in India → Make in India 2.0 → Atmanirbhar Bharat
India's industrial strategy has evolved through sequential initiatives to strengthen domestic production. The National Manufacturing Policy was announced in 2011 to increase

free environment specifically for production intended for international markets. Over time, the EPZ model evolved and was integrated into the more comprehensive Special Economic Zones framework established in 2005, which expanded the scale and scope of these industrial enclaves.

44. (A) P-IV, Q-II, R-I, S-III
Indian industrial history is categorized into distinct eras. The pre-independence period left a colonial legacy of basic textile mills. From 1965 to 1980, the country faced industrial stagnation due to rigid controls. The 1991 reforms introduced delicensing and deregulation to modernize the economy. Post-2014, the focus shifted toward initiatives like Make in India, emphasizing high-growth sunrise sectors and global competitiveness.

45. (A) A unified platform for submitting documents and obtaining approvals.
A Single Window System is a key reform intended to simplify the administrative process for businesses. Instead of visiting multiple government offices, investors can use a single digital platform to submit all required documentation and track approvals. This system enhances transparency, reduces bureaucratic red tape, and accelerates the time it takes to obtain the various licenses needed to start industrial operations.

46. (C) A is true but R is false.
The Atmanirbhar Bharat initiative seeks to make India self-reliant by strengthening domestic manufacturing and reducing dependence on critical imports. However, this policy does not promote economic isolation. Instead, it aims to integrate India more effectively into global supply chains by producing high-quality goods locally. It encourages international trade and investment while ensuring that the nation develops a resilient and independent industrial base.

47. (D) Occupational Safety Code - Regulates workplace standards.
Industrial governance in India involves various legislations that protect workers and regulate factory operations. While the Factories Act covers working conditions and safety, the Trade Unions Act governs worker associations. The Occupational Safety, Health, and Working Conditions Code specifically modernizes and consolidates standards for workplace safety and welfare, ensuring that industrial growth does not compromise the health and well-being of the workforce.

48. (C) Atomic energy and specified railway operations
Since the 1991 reforms, India has progressively opened almost all industrial sectors to private investment. To ensure national security and strategic control, the government has maintained a monopoly over a very limited number of areas. Currently, only atomic energy and specific segments of railway operations remain reserved exclusively for the public sector, highlighting the extensive nature of industrial liberalization in the country.

49. (A) I, II and IV
Industrial relations involve the management of disputes over wages and working conditions. The 2020 Industrial Relations Code consolidates laws to streamline resolution through conciliation and adjudication. While preventive mechanisms like works committees help resolve issues early, strikes are not universally illegal. Instead, they are regulated by specific legal procedures and notice requirements to ensure that industrial peace is maintained without infringing on rights.

50. (A) 2, 3, 1, 4
India's industrial strategy moved from heavy industry focus under the Mahalanobis model in the 1950s to an emphasis on small-scale industries in the late 1970s. This was followed by the landmark liberalization and delicensing reforms of the 1991 New Industrial Policy. Most recently, the Make in India initiative was launched to revitalize manufacturing through global investment and improved domestic infrastructure.

51. (B) 2011-12
The Index of Industrial Production uses a specific base year to provide a benchmark for comparing industrial growth over time. Currently, 2011-12 serves as the base year for these calculations in India. Using a relatively recent base year ensures that the index accurately reflects the modern structure of the industrial sector, including newer

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in attracting global capital into various sectors like manufacturing, infrastructure, and services.

84. (C) Manufacturing employment grew much faster than the service sector.
While the manufacturing sector is essential for absorbing labor from agriculture, its employment growth in India has generally lagged behind the service sector. Services have dominated GDP growth and job creation in recent decades. However, labor-intensive manufacturing sectors like textiles remain critical for providing mass employment. Current policies aim to revitalize manufacturing to create millions of additional jobs and correct this historical growth imbalance.

85. (A) Electronics and semiconductors
During the pre-independence era, India's industrial base was limited and fragmented under colonial rule. While the British developed some sectors like cotton and jute textiles to serve their interests, and heavy industry began with TISCO in 1907, advanced sectors like electronics and semiconductors did not exist on any significant scale. These high-tech industries only emerged and gained importance much later through post-independence planning and modern economic policies.

86. (D) To create massive industrial townships with world-class infrastructure.
National Investment and Manufacturing Zones were introduced in the 2011 policy as a primary tool for industrial growth. These zones are designed as massive, self-contained townships that integrate high-quality industrial facilities with modern residential and social infrastructure. By providing a streamlined regulatory environment and superior logistics, NIMZs aim to attract large-scale investment, foster innovation, and create millions of jobs in the manufacturing sector.

87. (B) Scaling up capacity and expanding share to earn higher subsidies.
The Production Linked Incentive scheme is specifically designed to reward manufacturers based on the growth of their sales over a base year. This focus on "incremental sales" encourages companies to scale up their production capacity and increase their market share to qualify for higher financial rewards. By incentivizing expansion, the scheme helps domestic industries achieve economies of scale and become more competitive against global manufacturers.

88. (C) Manufacturing
The Index of Industrial Production consists of three main sectoral components: mining, manufacturing, and electricity. Among these, manufacturing holds the highest weightage, accounting for over three-quarters of the total index. This dominance reflects the sector's diverse nature and its critical role in the overall economy. Consequently, trends in the manufacturing sector heavily influence the total IIP, which serves as a vital barometer for industrial health.

89. (D) Emphasizes 27 sectors and alignment with Atmanirbhar Bharat vision.
Make in India 2.0 represents an evolved strategy that focuses on twenty-seven specific sectors instead of the original twenty-five. This phase is closely aligned with the Atmanirbhar Bharat vision, aiming for greater self-reliance and global manufacturing leadership. It targets both manufacturing and service sectors with high growth potential, refining the government's approach to better integrate domestic production with international market demands and modern technological trends.

90. (A) Provide infrastructure like roads and power for rapid industrial setup.
Industrial parks developed by SIPCOT in Tamil Nadu are designed to act as ready-to-use sites for businesses. By providing essential shared infrastructure such as high-quality roads, uninterrupted power supply, and water facilities, these parks allow companies to set up their manufacturing units with minimal delay. This proactive approach by the state agency reduces the initial capital burden on investors and promotes rapid industrialization across various regions.

91. (B) Intermediate or infrastructure goods.
Items like cement and bricks are classified as intermediate or infrastructure goods in the Index of Industrial Production. These materials are not consumed directly by final users but are essential inputs for the construction of roads, buildings, and other physical infrastructure. Their production levels are therefore closely

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hub for information technology, electronics, and aerospace industries.

60. (B) Total privatization of all basic and strategic industries
The Industrial Policy Resolution of 1956 focused on expanding the public sector to achieve a socialist pattern of society. It categorized industries into schedules to ensure the state controlled strategic and basic industries. While the private sector was allowed to operate in specific areas, the policy sought to prevent monopolies and the concentration of economic power, rather than pursuing total privatization of core sectors.

61. (A) Both A and R are true and R is the correct explanation of A.
India's significant rise in global ease-of-doing-business rankings is the result of concerted regulatory reforms. The introduction of the Goods and Services Tax simplified the indirect tax structure, while single-window portals reduced bureaucratic delays for new investors. These measures, along with the digitization of approval processes, created a more transparent and efficient environment, encouraging both domestic and foreign investment in the industrial sector.

62. (C) Fertilizers - A capital goods industry that exclusively exports its entire production
Fertilizers are essential for agricultural productivity and are primarily produced for domestic consumption rather than exclusive export. In the Index of Industrial Production, refinery products hold the highest weightage among the core sectors. While coal and steel are foundational industries for energy and infrastructure, the fertilizer industry is critical for ensuring food security by providing necessary nutrients for the nation's vast farming sector.

63. (D) A growing industry with high innovation and future potential.
A sunrise sector refers to an emerging industry that is expanding rapidly and is characterized by high levels of innovation and future economic potential. These sectors, such as renewable energy, electronics, and biotechnology, are prioritized under Make in India 2.0. Because they are in their early stages of development, they offer significant opportunities for investment, employment, and technological advancement in the modern economy.

64. (A) I and II
Industrialization plays a transformative role by moving surplus labor from low-productivity agriculture to more productive manufacturing jobs. This process creates strong backward linkages by demanding raw materials and forward linkages by supplying goods to other sectors. While industries may require imports initially, growth does not inherently lead to a perpetual trade deficit; instead, it can strengthen the balance of payments through increased exports.

65. (A) 2, 3, 1
The 1956 industrial policy categorized sectors by the level of government involvement. Schedule A industries were under exclusive state control, representing the highest level of regulation. Schedule B included industries where the state would take the lead but private units could coexist. Schedule C consisted of the remaining industries, which were largely left to the private sector, albeit within the framework of national planning.

66. (D) Shielding industries led to inefficiency and technological delay.
India's pre-1991 import substitution strategy aimed to protect domestic industries from foreign competition. However, this lack of exposure to global markets often led to a lack of innovation and low productivity. Shielded from competition, many firms became inefficient and lagged in technological development. The 1991 reforms addressed these issues by opening the economy to encourage efficiency, modernization, and better integration with global standards.

67. (A) P-IV, Q-III, R-II, S-I
Key economic policies and legislations in India were enacted over several decades to adapt to changing global trends. FEMA was introduced in 1999 to simplify foreign exchange management. The Competition Act of 2002 followed to promote market fairness. The SEZ Act of 2005 was created to boost exports, while the National Manufacturing Policy of 2011 aimed to increase the industrial share of GDP.

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35. (A) 1, 4, 2, 3
The timeline of Indian industrialization shows a gradual progression from basic textiles to heavy industries. The first successful modern cotton mill was established in 1854, followed closely by the first jute mill in 1855. Later, the Tata Iron and Steel Company was founded in 1907. Post-independence, the 1948 Industrial Policy Resolution marked the formal start of the state's regulated industrial framework.

36. (C) Proximity to heavy mineral raw materials.
Footloose industries, such as software development or diamond cutting, are not tied to specific locations by the need for bulky raw materials. Unlike steel or cement plants, which must be near mines to reduce transport costs, footloose sectors prioritize factors like skilled labor, connectivity, and power. Consequently, proximity to heavy minerals is the least critical factor in determining where these industries locate.

37. (A) P-IV, Q-III, R-II, S-I
The Production Linked Incentive scheme targets diverse sectors with specific goals. For mobile phones, it aims at large-scale manufacturing and global supply integration. In pharmaceuticals, the focus is on reducing dependence on imported active ingredients. The automobile sector targets advanced battery technology and electric vehicles, while the textile sector emphasizes man-made fibers to enhance India's share in the global garment market.

38. (C) A is true but R is false.
The Industrial Relations Code of 2020 was designed to modernize labor laws and improve the ease of doing business by simplifying dispute resolution. While it introduces new regulations for strikes and layoffs, it does not prohibit the formation of trade unions. Trade unions remain a legal right for workers, ensuring that the framework balances industrial growth with the fundamental rights of labor.

39. (B) A pivot to 27 sectors aligned with Atmanirbhar Bharat.
The transition from the original Make in India to version 2.0 represents a strategic narrowing and refinement of industrial goals. This updated phase focuses on twenty-seven specific sectors, including both manufacturing and services, to align with the broader vision of Atmanirbhar Bharat. The goal is to build self-reliance by strengthening domestic capabilities in areas with high growth and export potential.

40. (C) Tiruppur - Petrochemicals and heavy oil refining units.
In Tamil Nadu's industrial landscape, different regions specialize in specific sectors. Chennai is an automobile hub, Coimbatore focuses on engineering and textiles, and Salem is known for steel. However, Tiruppur is famous for knitwear and ready-made garments rather than petrochemicals. Heavy oil refining and petrochemical activities are primarily concentrated in coastal areas like Chennai and Panangudi, rather than the inland textile centers.

41. (A) Registration on Single Window Portal → Online submission of common application → Departmental processing → Issuance of approvals
Modern ease-of-doing-business reforms emphasize a streamlined, digital workflow for industrial approvals. An investor first registers on a centralized single-window portal and submits a common application form. This document is then processed by various government departments simultaneously. Once all requirements are met, the necessary approvals and licenses are issued, significantly reducing the time and effort required to establish a factory.

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42. (A) Enhanced productivity through automation, IoT, and data analytics.
Industry 4.0 represents the fourth industrial revolution, characterized by the integration of digital technologies into manufacturing. By utilizing the Internet of Things, artificial intelligence, and big data, factories can achieve higher precision and productivity. This modernization allows for real-time monitoring and smarter supply chains, helping Indian industries become more competitive globally while moving away from traditional, inefficient manual labor processes.

43. (A) I and II
India was a pioneer in export-led growth, establishing Asia's first Export Processing Zone at Kandla in 1965. These zones provided a duty-

76. (A) Both A and R are true and R is the correct explanation of A.
Reserving specific products for the small-scale sector was intended to protect small businesses, but it ultimately hindered their growth. By preventing larger firms from entering these markets, the policy limited technological investment and economies of scale. Dereservation was eventually implemented to allow these industries to modernize and compete globally, ensuring that Indian products could meet international standards of quality and price in an open economy.

77. (A) Digital manufacturing - Use of 3D printing and AI in production.
The future of industry is increasingly defined by digital manufacturing and the adoption of Industry 4.0 technologies. This includes using advanced tools like 3D printing, artificial intelligence, and robotics to enhance precision and efficiency. Unlike declining sunset sectors, these emerging technologies represent the next frontier of industrial growth. They allow for more flexible production processes and are essential for maintaining competitiveness in a rapidly evolving global technological landscape.

78. (C) Preventive machinery
In the framework for managing industrial relations, the Works Committee serves as a preventive mechanism. It consists of representatives from both the management and the workforce to discuss and resolve day-to-day issues at the factory level. By facilitating communication and cooperation between employers and employees, these committees help prevent minor grievances from escalating into major industrial disputes, strikes, or lockouts, thus maintaining industrial harmony.

79. (A) I, II, IV and V
India's startup ecosystem is supported by DPIIT recognition, which provides tax benefits and access to the Fund of Funds for Startups. A startup is typically recognized if it has been operational for less than ten years. While these ventures enjoy many incentives and currently include over a hundred unicorns, they must still comply with essential environmental and labor laws. This framework encourages innovation while ensuring businesses operate responsibly within the legal system.

80. (C) An industry generating demand for raw material and component inputs.
Backward linkage occurs when a manufacturing industry creates a demand for inputs from other sectors. For example, an automobile factory stimulates growth in the steel, rubber, and electronics industries by requiring their products as raw materials. These linkages are vital for economic development because the growth of one industry triggers a multiplier effect, encouraging production and employment across various upstream sectors of the broader national economy.

81. (B) Investment threshold limits for MRTP companies were abolished.
Under the New Industrial Policy of 1991, the government significantly relaxed the Monopolies and Restrictive Trade Practices Act. Previously, large firms faced strict growth limits based on their asset size. By abolishing these investment threshold limits, the policy allowed companies to expand and diversify without seeking prior government approval. This change aimed to encourage economies of scale and enable Indian firms to compete more effectively in the international market.

82. (B) 12 industries
The Industrial Policy Resolution of 1956 classified industries into three schedules to define the state's role. Schedule B contained twelve industries that were considered important but not as critical as those in Schedule A. In these sectors, the state would increasingly establish new units, while private enterprise was also encouraged to supplement government efforts, creating a mixed sector that aimed for rapid industrial expansion.

83. (A) No prior approval from Government or RBI needed for specified sectors.
The "automatic route" for Foreign Direct Investment allows foreign companies to invest in India without needing prior approval from the government or the Reserve Bank. Investors only need to notify the authorities after the funds have been received. This mechanism simplifies the investment process, reduces administrative delays, and has been instrumental

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68. (A) Both A and R are true and R is the correct explanation of A.
The Chennai-Bengaluru Industrial Corridor is a strategic project designed to enhance manufacturing in southern India. By connecting major industrial hubs with significant ports like Chennai and Ennore, the corridor facilitates efficient logistics and export operations. This infrastructure is particularly beneficial for the electronics and aerospace sectors, as it provides the high-speed connectivity and integrated supply chains required for these advanced manufacturing industries.

69. (A) Capital goods
In the use-based classification of the Index of Industrial Production, capital goods include physical assets like plant and machinery. These items are used as inputs in the production of other goods and services rather than being consumed directly by individuals. As a result, the production levels of capital goods serve as a vital indicator of investment activity and future productive capacity within the industrial sector.

70. (D) Raw material proximity - Crucial for weight-losing industries like sugar and steel
The location of an industry is often determined by the nature of its raw materials. Weight-losing industries, such as sugar and steel, are ideally situated near their raw material sources to minimize high transportation costs. Conversely, for industries using perishable items like sugarcane, market proximity is secondary to raw material access, as the quality of the input degrades rapidly after harvest during long transit.

71. (A) Heavy industry push → Industrial stagnation → Liberalisation and delicensing → Make in India
Post-independence industrial growth began with a strong push for heavy industries during the early five-year plans. This was followed by a period of stagnation and rigid controls between 1965 and 1980. The 1991 reforms introduced a major shift toward liberalization and delicensing, opening the economy to competition. More recently, the Make in India initiative has focused on transforming the country into a global manufacturing hub.

72. (C) FERA treated violations as criminal while FEMA treats them as civil.
The transition from FERA to FEMA marked a fundamental change in how India manages foreign exchange. FERA was a restrictive law that treated any violation as a criminal offense, reflecting a conservationist mindset. In contrast, FEMA was designed to facilitate external trade and payments. By treating violations as civil matters, it created a more business-friendly environment and aligned exchange management with the principles of economic liberalization.

73. (B) I, III and IV
The Atmanirbhar Bharat initiative aims to build a self-reliant India by strengthening domestic manufacturing through schemes like the Production Linked Incentive. It emphasizes producing high-quality goods locally to reduce import reliance and integrate Indian firms into global supply chains. Rather than advocating for isolation or banning all imports, the policy focuses on creating a resilient economy that can compete effectively in the international market.

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74. (A) P-IV, Q-II, R-I, S-III
Economic reforms utilize various strategies to increase market efficiency. Disinvestment involves selling government stakes in public enterprises to the private sector. Delicensing removes the requirement for government permits to start an industry. Dereservation opens up sectors that were previously restricted to the state or small businesses. Collectively, these measures fall under the umbrella of liberalization, which reduces government restrictions to allow free-market principles to operate.

75. (B) Smart cities developed with financial collaboration from Japan.
The Delhi-Mumbai Industrial Corridor is a flagship infrastructure project designed to create a high-tech industrial zone across several states. A distinguishing feature is the development of several smart cities and industrial nodes along the route, supported by significant financial and technical collaboration from Japan. This corridor integrates modern logistics, high-speed rail, and sustainable urban planning to provide a world-class environment for manufacturing and global trade.

linked to the pace of construction activity and the overall growth of the nation's industrial and urban framework.

92. (B) Complete elimination of the Indian private sector.
The New Industrial Policy of 1991 was designed to revitalize the economy by increasing competition and efficiency. While it allowed more foreign investment and reduced government controls, its goal was to empower the private sector, not eliminate it. In fact, the reforms led to a significant expansion of Indian private companies, giving them greater freedom to grow, adopt new technologies, and compete effectively in both domestic and international markets.

93. (A) Large young working-age population requiring jobs outside agriculture.
India's demographic structure is characterized by a large and growing young population. As the agricultural sector becomes saturated, millions of workers need productive employment opportunities in other areas. The government's emphasis on manufacturing through policies like Make in India aims to address this need by creating large-scale jobs. Absorbing this workforce into the industrial sector is critical for translating the demographic dividend into sustainable economic development.

94. (C) It reduces red-tape, cuts approval times, and enhances transparency.
Transitioning to online approval systems and single-window portals is a major step toward improving the ease of doing business. By centralizing the application process, these digital platforms eliminate the need for investors to interact with multiple departments individually. This reduction in bureaucratic red tape cuts down the time required for clearances and enhances transparency, making the country a more attractive and efficient destination for both domestic and foreign investors.

95. (B) I and III
The policy of reserving certain products for the small-scale sector began in the 1960s to protect small manufacturers. However, later expert committees recognized that this protection often hindered technological progress and efficiency. Consequently, the government gradually dereserved these items to encourage competition and allow small industries to upgrade their technology and scale. This complete dereservation was essential for making the sector more resilient and competitive in a globalized economy.

96. (A) I, II and III
The Industrial Development Bank of India was established to provide essential credit and financial support to the Indian industrial sector. Originally a subsidiary of the Reserve Bank of India, it played a key role in institutional finance before eventually being transformed into a commercial bank. While it was instrumental in funding large projects, it is not the regulator of the stock market, a role performed by the Securities and Exchange Board of India.

97. (B) I, II, IV and V
The Amritsar-Kolkata Industrial Corridor is a major project aimed at transforming the economy of northern and eastern India. It aligns with the Eastern Dedicated Freight Corridor to provide efficient transport for manufactured goods. By creating integrated manufacturing clusters, the project seeks to boost production and employment in densely populated states. Contrary to bypassing it, the corridor passes through several key regions, including Uttar Pradesh, to leverage their industrial potential.

98. (D) Promoting the unrestricted influx of Foreign Direct Investment (FDI)
The original mandate of the MRTP Act 1969 was to ensure that the operation of the economic system did not result in the concentration of economic power. It focused on controlling monopolies and prohibiting restrictive trade practices that harmed competition. Promoting foreign investment was not part of its purpose; in fact, the Act's restrictive nature often limited the entry and growth of both large domestic firms and foreign companies in India.

99. (A) Effectively bridged the cost disability faced by local manufacturers.
India's success in becoming a major global hub for mobile manufacturing demonstrates the effectiveness of the Production Linked Incentive scheme. By providing financial rewards for incremental production, the scheme successfully offset the higher costs associated with domestic

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32. Which of the following best defines the 'Cluster Development Programme' for MSMEs?
(A) Scheme to disperse related MSMEs across different states to reduce competition.
(B) Initiative to merge several small MSMEs into a single large corporate entity.
(C) Geographical concentration of similar units for common facility access.
(D) Programme to relocate polluting MSMEs exclusively to Special Economic Zones.
(E) Answer not known

33. The Khadi and Village Industries Commission (KVIC) is a statutory body formed under an Act of Parliament. In which year was the KVIC Act passed?
(A) 1948
(B) 1956
(C) 1991
(D) 2005
(E) Answer not known

34. Consider the following statements regarding the commodity-specific boards in India:
I. The Coir Board was set up to promote the coir industry, which is highly concentrated in southern states like Kerala and Tamil Nadu.
II. The Central Silk Board provides research and development support for sericulture and the silk textile industry.
III. Both the Coir Board and the Central Silk Board operate directly under the Ministry of Agriculture and Farmers Welfare.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I only
(D) III only
(E) Answer not known

35. Consider the following challenges faced by the Handloom sector in Tamil Nadu and India:
I. Competition from powerlooms producing cheaper imitations.
II. Fluctuating prices and availability of high-quality yarn.
III. Over-reliance on the Handloom Mark, which restricts international exports.
IV. Changing consumer preferences away from traditional attire.
Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) II, III and IV only
(C) I and III only
(D) I and II only
(E) Answer not known

36. Consider the following statements regarding the relationship between infrastructure and economic growth:
I. Investment in infrastructure has a strong multiplier effect on the economy.
II. Good infrastructure reduces logistics costs and improves the competitiveness of domestic goods.
III. The development of rural infrastructure directly contributes to poverty alleviation.
IV. Economic infrastructure focuses primarily on education and health outcomes.
V. Bottlenecks in infrastructure can lead to inflationary pressures due to supply constraints.
Which of the above statement(s) is/are correct?
(A) I, II, III and V only
(B) I, II, IV and V only
(C) I, III and V only
(D) II, III and IV only
(E) Answer not known

37. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option from the choices given below.
Assertion (A): The UDAY (Ujwal DISCOM Assurance Yojana) scheme was launched to provide permanent financial turnaround and operational improvement of State Power Distribution Companies (DISCOMs).
Reason (R): Under UDAY, State Governments were mandated to take over a significant portion of the accumulated debt of their respective DISCOMs.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

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CHAPTER 14

Public Sector, MSME, Infrastructure and Make in India

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1. The concept of "Commanding Heights of the Economy," which guided the expansion of the public sector in India, is primarily attributed to the vision of which leader?
(A) Sardar Vallabhbhai Patel
(B) Jawaharlal Nehru
(C) B.R. Ambedkar
(D) Lal Bahadur Shastri
(E) Answer not known

2. Which of the following best defines a Public-Private Partnership (PPP) model?
(A) A short-term procurement contract where the government buys raw materials from local vendors.
(B) A total transfer of ownership of public assets to private firms via direct stock market sales.
(C) A charitable initiative where private companies donate funds for government welfare schemes.
(D) A long-term contract between a private party and government with shared risks and management.
(E) Answer not known

3. Under the revised guidelines, which of the following is a mandatory criterion for a Central Public Sector Enterprise (CPSE) to be granted 'Maharatna' status?
(A) It must already hold a Navratna status and be listed on an Indian stock exchange.
(B) It must have exclusive foreign shareholding exceeding 50 percent.
(C) It must have sustained continuous losses for the past three years to qualify for revival funds.
(D) It must not have any operations outside the state in which it is headquartered.
(E) Answer not known

4. Consider the following statements regarding Departmental Undertakings in India:
I. They are established by a special Act of Parliament and have a separate legal entity.
II. They are financed directly from the government treasury through annual budgetary allocations.
III. The Indian Railways and India Post are prominent examples of Departmental Undertakings.
Which of the above statement(s) is/are correct?
(A) II and III only
(B) I and II only
(C) I only
(D) III only
(E) Answer not known

5. Consider the following statements regarding the rationale for establishing the public sector in India post-independence:
I. To overcome market failure in capital-intensive sectors.
II. To ensure balanced regional economic development.
III. To prevent the concentration of economic power in the hands of a few private entities.
IV. To maximize short-term profit generation for government expenditure.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) II, III and IV only
(C) I and IV only
(D) II and IV only
(E) Answer not known

6. Consider the following statements about Government Companies in India:
I. They are registered under the Companies Act.
II. The government must hold at least 51 percent of the paid-up share capital.

to foreign operators
(C) Port Connectivity Enhancement
(D) Port-led Industrialization
(E) Answer not known

45. Under the various urban infrastructure missions, the focus on 'Area-based development' and 'Pan-city smart solutions' such as intelligent traffic management is primarily the characteristic of which scheme?
(A) Smart Cities Mission
(B) AMRUT
(C) HRIDAY
(D) Pradhan Mantri Awas Yojana
(E) Answer not known

46. What is the main objective of the UDAN (Ude Desh ka Aam Naagrik) scheme?
(A) Providing free air travel to all citizens above 60 years of age in India.
(B) Privatizing all existing international and domestic airports in the country.
(C) Stimulating regional air connectivity and affordable mass air travel.
(D) Building drone corridors exclusively for specialized agricultural research.
(E) Answer not known

47. Which of the following best defines the 'BharatNet' project?
(A) Network of superfast expressways connecting the four major urban metros.
(B) Centralized grid linking all major river basins for steady water supply.
(C) Financial network linking all rural cooperative banks to the central bank.
(D) High-speed broadband for Gram Panchayats via optical fibre cable.
(E) Answer not known

48. The Smart Cities Mission was launched by the Government of India with an initial target to develop how many smart cities across the country?
(A) 50
(B) 250
(C) 100
(D) 500
(E) Answer not known

49. Consider the following statements regarding the AMRUT (Atal Mission for Rejuvenation and Urban Transformation) scheme:
I. Its primary focus is on ensuring a robust water supply and sewerage network in urban households.
II. It targets the creation of green spaces and parks in cities.
III. It completely replaces the Smart Cities Mission in tier-1 cities.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I only
(D) III only
(E) Answer not known

50. Consider the following statements regarding Pradhan Mantri Awas Yojana (PMAY):
I. It has two components: PMAY-Urban and PMAY-Gramin.
II. It operates under the overarching goal of "Housing for All".
III. It provides Credit Linked Subsidy Schemes (CLSS) for the economically weaker sections.
IV. The scheme mandates that the ownership of the houses must only be in the name of the male head of the household.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) II, III and IV only
(C) I and III only
(D) I and IV only
(E) Answer not known

51. Consider the following sectors included under the National Infrastructure Pipeline (NIP):
I. Energy
II. Roads
III. Urban Infrastructure
IV. Railways
V. Cryptocurrency Mining
Which of the above statement(s) is/are correct?
(A) I, II, III and IV only
(B) II, III, IV and V only
(C) I, III and V only
(D) I, II and IV only
(E) Answer not known

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12. Identify the correct statement regarding the National Monetisation Pipeline (NMP).
(A) Permanent sale of core infrastructure assets to the private sector via tender.
(B) Temporary transfer of revenue rights of brownfield assets to private parties.
(C) Unlocking the value of greenfield infrastructure projects within the country.
(D) Restricting foreign direct investment in the monetisation of specific assets.
(E) Answer not known

13. Identify the incorrect statement regarding the disinvestment of Air India.
(A) The government retained 49 percent of the equity in Air India post-disinvestment to protect national interests.
(B) The Tata Group acquired a 100 percent stake in Air India through Talace Private Limited.
(C) The disinvestment completely eliminated the government's financial burden of covering the airline's daily losses.
(D) The strategic sale included the transfer of Air India Express and a stake in Air India SATS.
(E) Answer not known

14. Which of the following is NOT a primary cause of industrial sickness in Public Sector Units (PSUs)?
(A) Excessive political interference in daily operations
(B) Overstaffing and high wage burdens
(C) Monopoly market conditions allowing premium pricing
(D) Technological obsolescence and delayed modernization
(E) Answer not known

15. Under the National Monetisation Pipeline (NMP), the monetisation of assets like roads, railways, and power transmission lines is classified under which type of infrastructure development strategy?
(A) Greenfield project financing
(B) Social infrastructure subsidization
(C) Deficit financing strategy
(D) Asset recycling of brownfield projects
(E) Answer not known

16. Under the revised MSME classification of 2020, what is the maximum investment and turnover limit for an enterprise to be classified as a 'Medium' enterprise?
(A) Investment up to Rs. 10 crore and Turnover up to Rs. 50 crore
(B) Investment up to Rs. 100 crore and Turnover up to Rs. 500 crore
(C) Investment up to Rs. 50 crore and Turnover up to Rs. 250 crore
(D) Investment up to Rs. 20 crore and Turnover up to Rs. 100 crore
(E) Answer not known

17. Which of the following best defines Viability Gap Funding (VGF) in the context of infrastructure projects?
(A) Financial penalty for contractors failing to meet project timelines.
(B) Grant for economically justified projects lacking financial viability.
(C) Tax exemption for foreign investors funding greenfield rural units.
(D) Sovereign guarantee for non-performing assets in the energy sector.
(E) Answer not known

18. The Department of Investment and Public Asset Management (DIPAM) operates under which Ministry of the Government of India?
(A) Ministry of Commerce and Industry
(B) Ministry of Corporate Affairs
(C) Ministry of Heavy Industries
(D) Ministry of Finance
(E) Answer not known

19. Consider the following statements regarding the Board for Industrial and Financial Reconstruction (BIFR):
I. It was established under the Sick Industrial Companies (Special Provisions) Act, 1985.
II. Its sole mandate was the privatization of profitable public sector units.
III. The BIFR was dissolved and its functions were largely taken over by the National Company Law Tribunal (NCLT).
Which of the above statement(s) is/are correct?
(A) I and III only
(B) II and III only
(C) I only
(D) II only

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manufacturing compared to other global competitors. This bridged the cost disability gap, encouraging multinational and domestic companies to invest heavily in local assembly and component manufacturing, thereby strengthening the national electronics ecosystem.

100. (C) Attracts massive investment to boost exports and exchange reserves.

Offering prolonged tax holidays to units in Special Economic Zones is a strategic fiscal tool used to attract large-scale capital investment. By providing a tax-free environment, the government encourages businesses to set up export-oriented units within these zones. This leads to a significant increase in international trade, which in turn boosts the country's foreign exchange reserves and strengthens the overall macro-economic stability through enhanced export earnings and global market integration.

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Aadhaar Number → Self-declaration
(D) Self-declaration of investment and turnover → Providing Aadhaar Number → Issuance of Udyam Registration Certificate → PAN validation
(E) Answer not known

25. Arrange the following MSME classifications in ascending order based on their maximum permitted investment in plant and machinery/ equipment as per the 2020 definition.
I. Small Enterprise
II. Medium Enterprise
III. Micro Enterprise
(A) III, I, II
(B) I, III, II
(C) III, II, I
(D) II, I, III
(E) Answer not known

26. Identify the pair that is incorrectly matched regarding MSME development schemes and their objectives.
(A) CGTMSE - Providing interest-free capital to large scale industries for infrastructure development
(B) Prime Minister's Employment Generation Programme (PMEGP) - Credit-linked subsidy scheme for generating self-employment
(C) ZED Certification Scheme - Promoting zero defect production and zero effect on the environment
(D) SFURTI - Organizing traditional industries and artisans into clusters
(E) Answer not known

27. Identify the correct statement regarding the contribution of the MSME sector to the Indian economy.
(A) The MSME sector accounts for approximately 80 percent of India's total Gross Domestic Product (GDP).
(B) The MSME sector employs over 11 crore people, making it the second-largest employer after agriculture.
(C) MSME exports constitute less than 10 percent of India's total exports.
(D) The MSME sector is exclusively concentrated in urban areas, with zero presence in rural geographies.
(E) Answer not known

28. Identify the incorrect statement regarding the challenges faced by MSMEs in India.
(A) They suffer from inadequate access to timely and adequate formal credit.
(B) They enjoy a structural advantage of having zero compliance burdens compared to large enterprises.
(C) They face intense competition from multinational corporations and imported goods.
(D) They often lack the financial capacity to adopt the latest technologies and marketing techniques.
(E) Answer not known

29. Which of the following is NOT a feature of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)?
(A) Providing a 100 percent unconditional guarantee for all MSME loans.
(B) Providing collateral-free credit facilities to micro and small enterprises.
(C) Term loans and working capital facilities are eligible for guarantee cover.
(D) Jointly set up by the MSME Ministry and the Small Industries Development Bank.
(E) Answer not known

30. Under the classification of infrastructure, which of the following is strictly categorized as 'Social Infrastructure' rather than 'Economic Infrastructure'?
(A) Telecommunication networks
(B) National Highways
(C) Healthcare facilities and hospitals
(D) Seaports and inland waterways
(E) Answer not known

31. What is the primary focus of the 'Zero Defect Zero Effect' (ZED) certification for MSMEs?
(A) Minimizing corporate tax liabilities and ensuring zero pending civil legal cases.
(B) Reducing the workforce to zero permanent staff and shifting to contract labor.
(C) Achieving zero dependence on formal banking credit and external financial aid.
(D) Achieving zero defects in production and zero negative environmental impact.
(E) Answer not known

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(E) Answer not known

20. Consider the following problems commonly associated with Public Sector Enterprises in India:
I. Delays in project implementation leading to cost overruns.
II. Strict adherence to capacity utilization targets.
III. Inadequate autonomy in taking critical commercial decisions.
IV. High social costs such as maintaining large townships for employees.
Which of the above statement(s) is/are correct?
(A) I, III and IV only
(B) I, II and III only
(C) II and IV only
(D) I and IV only
(E) Answer not known

21. Consider the following statements about disinvestment methods:
I. Initial Public Offering (IPO) is used when an unlisted public sector company issues fresh shares or its promoters sell existing shares for the first time.
II. Exchange Traded Funds (ETFs) allow the government to monetise its stake in a basket of CPSEs simultaneously.
III. Minority stake sale involves the transfer of management control to the private sector.
IV. Strategic sale requires the prior approval of the Competition Commission of India if it meets the merger control thresholds.
V. Disinvestment proceeds are credited directly to the Consolidated Fund of India and used exclusively for welfare schemes.
Which of the above statement(s) is/are incorrect?
(A) I, II, III and V only
(B) II, III, IV and V only
(C) III and V only
(D) I, II and IV only
(E) Answer not known

22. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option from the choices given below.
Assertion (A): The National Monetisation Pipeline (NMP) primarily focuses on brownfield infrastructure assets rather than greenfield projects.
Reason (R): Brownfield assets are de-risked from execution and regulatory challenges, making them more attractive to institutional investors for revenue generation.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

23. Match the items in List I with those in List II and select the correct option.
List I: (Public-Private Partnership (PPP) models)
P. Build-Operate-Transfer (BOT) Toll
Q. Build-Operate-Transfer (BOT) Annuity
R. Engineering, Procurement and Construction (EPC)
S. Hybrid Annuity Model (HAM)
List II: (Defining features)
I. The government bears the entire financial burden and private party executes the construction.
II. A mix of EPC and BOT Annuity, where the government contributes 40% of the project cost during construction.
III. The private party recovers its investment through toll collection directly from users.
IV. The private party builds and operates the facility, while the government makes fixed periodic payments.
(A) P-III, Q-IV, R-I, S-II
(B) P-IV, Q-III, R-II, S-I
(C) P-I, Q-II, R-III, S-IV
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

24. Select the option showing the correct sequence of steps for formalizing an MSME via the Udyam portal.
(A) Providing Aadhaar Number → Self-declaration of investment and turnover → PAN validation → Issuance of Udyam Registration Certificate
(B) Issuance of Udyam Registration Certificate → PAN validation → Providing Aadhaar Number → Self-declaration
(C) PAN validation → Issuance of Udyam Registration Certificate → Providing

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38. Match the items in List I with those in List II and select the correct option.
List I: (Infrastructure Missions/Projects)
P. Bharatmala Pariyojana
Q. Sagarmala Project
R. UDAN Scheme
S. AMRUT
List II: (Primary focus areas)
I. Regional airport development and connectivity
II. Port-led direct and indirect development
III. Water supply and sewerage improvement in urban areas
IV. Optimization of road passenger and freight movement across the country
(A) P-IV, Q-II, R-I, S-III
(B) P-II, Q-IV, R-III, S-I
(C) P-IV, Q-I, R-II, S-III
(D) P-I, Q-II, R-III, S-IV
(E) Answer not known

39. Select the option showing the correct sequence of developments in the Indian power sector reforms.
(A) Enactment of Electricity Act → Unbundling of State Electricity Boards → Launch of UDAY Scheme → Announcement of 500 GW non-fossil capacity target
(B) Unbundling of State Electricity Boards → Enactment of Electricity Act → Announcement of 500 GW non-fossil capacity target → Launch of UDAY Scheme
(C) Launch of UDAY Scheme → Enactment of Electricity Act → Unbundling of State Electricity Boards → Announcement of 500 GW non-fossil capacity target
(D) Enactment of Electricity Act → Launch of UDAY Scheme → Unbundling of State Electricity Boards → Announcement of 500 GW non-fossil capacity target
(E) Answer not known

40. Arrange the following sources of installed power generation capacity in India in descending order of their current share in the total capacity mix.
I. Large Hydro
II. Coal/Thermal
III. Solar Power
IV. Nuclear Power
(A) II, III, I, IV
(B) II, I, III, IV
(C) III, II, IV, I
(D) II, IV, I, III
(E) Answer not known

41. Identify the pair that is correctly matched regarding India's renewable energy targets by 2030.
(A) Total non-fossil fuel capacity target - 1000 GW
(B) Green Hydrogen production target - 50 Million Metric Tonnes per annum
(C) Total reduction in projected carbon emissions - 10 billion tonnes
(D) Target for cumulative electric power installed capacity from non-fossil sources - 50 percent
(E) Answer not known

42. Identify the correct statement regarding the Bharatmala Pariyojana.
(A) Developing economic corridors and feeder routes for freight efficiency.
(B) Solely funded by the World Bank without any central government allocation or aid.
(C) Focusing strictly on urban road widening and excluding border connectivity roads.
(D) Aims to replace all existing National Highways with inland water transport modes.
(E) Answer not known

43. Identify the incorrect statement regarding the Dedicated Freight Corridors (DFCs) in India.
(A) They are designed to decongest the existing railway network by separating freight traffic from passenger traffic.
(B) It involves the creation of a broad-gauge double-line electrified railway track.
(C) The Eastern Dedicated Freight Corridor primarily serves the coal and steel core sectors.
(D) The Western Dedicated Freight Corridor runs exclusively through the state of Tamil Nadu.
(E) Answer not known

44. Which of the following is NOT a pillar of the Sagarmala Project?
(A) Port Modernization and New Port Development
(B) Privatization of all inland waterways strictly

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III. They enjoy maximum autonomy among all public sector enterprises.
IV. Their annual reports are not required to be tabled in the Parliament.
V. The Comptroller and Auditor General (CAG) has no role in auditing their accounts.

Which of the above statement(s) is/are incorrect?
(A) I, II, III and V only
(B) III, IV and V only
(C) II, IV and V only
(D) I, II and IV only
(E) Answer not known

7. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option from the choices given below.

Assertion (A): Strategic disinvestment involves the transfer of management control and majority stake to a private entity.

Reason (R): The primary objective of strategic disinvestment is to enhance operational efficiency and profitability through private sector management practices.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

8. Match the items in List I with those in List II and select the correct option.

List I: (Public Sector Enterprises)
P. Departmental Undertaking
Q. Statutory Corporation
R. Government Company
S. Maharatna Company

List II: (Examples)
I. Life Insurance Corporation (LIC)
II. Steel Authority of India Limited (SAIL)
III. Ordnance Factory Board (prior to corporatisation)
IV. Chennai Petroleum Corporation Limited (CPCL)
(A) P-III, Q-I, R-IV, S-II
(B) P-III, Q-IV, R-I, S-II
(C) P-I, Q-III, R-II, S-IV
(D) P-IV, Q-II, R-I, S-III
(E) Answer not known

9. Select the option showing the correct chronological sequence of developments in India's disinvestment policy.
(A) Setting up of the Disinvestment Commission → Establishment of the Department of Disinvestment → Renaming to DIPAM → Launch of National Monetisation Pipeline
(B) Establishment of the Department of Disinvestment → Setting up of the Disinvestment Commission → Launch of National Monetisation Pipeline → Renaming to DIPAM
(C) Launch of National Monetisation Pipeline → Setting up of the Disinvestment Commission → Establishment of the Department of Disinvestment → Renaming to DIPAM
(D) Setting up of the Disinvestment Commission → Launch of National Monetisation Pipeline → Renaming to DIPAM → Establishment of the Department of Disinvestment
(E) Answer not known

10. Arrange the following categories of Central Public Sector Enterprises in descending order of their financial autonomy for capital expenditure without government approval.
I. Miniratna Category-II
II. Maharatna
III. Miniratna Category-I
IV. Navratna
(A) II, IV, III, I
(B) IV, II, I, III
(C) II, III, IV, I
(D) IV, III, II, I
(E) Answer not known

11. Identify the pair that is correctly matched regarding Public Sector Enterprises and their apex controlling body or ministry.
(A) Food Corporation of India - Ministry of Agriculture
(B) NHAI - Ministry of Road Transport and Highways
(C) Oil and Natural Gas Corporation - Ministry of Power
(D) Reserve Bank of India - Ministry of Commerce
(E) Answer not known

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52. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option from the choices given below.
Assertion (A): Infrastructure Investment Trusts (InvITs) are utilized as a key tool for financing infrastructure projects in India.
Reason (R): InvITs pool small sums of money from multiple investors to invest in income-generating infrastructure assets, providing liquidity to developers.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

53. Match the items in List I with those in List II and select the correct option.
List I: (Infrastructure Financing instruments/ institutions)
P. Infrastructure Bonds
Q. InvITs
R. NaBFID
S. Viability Gap Funding
List II: (Descriptions)
I. A newly established Development Finance Institution for long-term infrastructure funding.
II. Long-term debt instruments issued by entities to raise capital for infra projects.
III. Government grant to make economically essential projects financially viable.
IV. Trust-based investment vehicles functioning like mutual funds for infrastructure assets.
(A) P-II, Q-IV, R-I, S-III
(B) P-IV, Q-II, R-I, S-III
(C) P-I, Q-III, R-II, S-IV
(D) P-II, Q-I, R-IV, S-III
(E) Answer not known

54. Select the option showing the correct sequence of phases in the execution of a Public-Private Partnership (PPP) project via the Build-Operate-Transfer (BOT) model.
(A) Project Identification → Financial Closure → Construction → Operation and Toll Collection → Transfer to Government
(B) Financial Closure → Project Identification → Transfer to Government → Construction → Operation and Toll Collection
(C) Construction → Operation and Toll Collection → Financial Closure → Project Identification → Transfer to Government
(D) Project Identification → Construction → Operation and Toll Collection → Transfer to Government → Financial Closure
(E) Answer not known

55. Arrange the following telecommunication technologies in the correct chronological order of their widespread commercial rollout in India.
I. 5G
II. 2G
III. 4G (LTE)
IV. 3G
(A) II, IV, III, I
(B) II, III, IV, I
(C) IV, II, III, I
(D) IV, III, I, II
(E) Answer not known

56. Identify the pair that is correctly matched regarding infrastructure bodies and their mandates.
(A) National Highways Authority of India (NHAI) - Management of major seaports
(B) Airports Authority of India (AAI) - Management of dedicated freight corridors
(C) Telecom Regulatory Authority of India (TRAI) - Regulation of telecom services and tariffs
(D) Dedicated Freight Corridor Corporation of India (DFCCIL) - Development of high-speed passenger rail networks only
(E) Answer not known

57. Identify the correct statement regarding the National Bank for Financing Infrastructure and Development (NaBFID).
(A) It was set up as an entirely private venture capital fund for startups.
(B) It provides short-term micro-loans exclusively to small scale MSMEs.
(C) It is headquartered in London to attract foreign direct investment flows.
(D) Addressing long-term financing gaps in the infrastructure sector.
(E) Answer not known

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a government company registered under the Companies Act, while Steel Authority of India Limited holds the prestigious Maharatna status.

9. (A) Setting up of the Disinvestment Commission → Establishment of the Department of Disinvestment → Renaming to DIPAM → Launch of National Monetisation Pipeline
India's disinvestment journey began with the creation of a dedicated commission in 1996 to recommend specific shares for sale. This was followed by the establishment of the Department of Disinvestment in 1999. Later, in 2016, this department was renamed to prioritize asset management. Finally, the National Monetisation Pipeline was launched in 2021 to unlock value from national infrastructure.

10. (A) II, IV, III, I
Financial autonomy for capital expenditure is categorized based on the specific status of the public sector enterprise. Maharatna companies possess the highest level of independence for large-scale investments. Navratna firms follow with significant but slightly lower limits. Miniratna Category-I enterprises have moderate autonomy, while Miniratna Category-II units hold the least flexibility, requiring more frequent government approvals for their capital expenditure.

11. (B) NHAI - Ministry of Road Transport and Highways
The National Highways Authority of India operates under the administrative control of the Ministry of Road Transport and Highways. It is responsible for the development and maintenance of the national highway network. Other entities like the Food Corporation of India and ONGC fall under different ministries, such as Consumer Affairs and Petroleum, respectively, reflecting their specific sectoral functions and governance.

12. (B) Temporary transfer of revenue rights of brownfield assets to private parties.
The National Monetisation Pipeline focuses on unlocking value from existing brownfield infrastructure assets without transferring permanent ownership. Under this model, the government grants private players the right to operate and generate revenue from these assets for a specific period in exchange for upfront or periodic payments. This strategy helps generate funds for new infrastructure while maintaining ultimate state control.

13. (A) The government retained 49 percent of the equity in Air India post-disinvestment to protect national interests.
During the strategic disinvestment of Air India, the government sold its entire hundred percent stake to the Tata Group. This transaction transferred full ownership and management control to the private entity, including its subsidiary and its share in a joint venture. By exiting the airline completely, the government eliminated the heavy financial burden of covering the daily operational losses incurred.

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14. (C) Monopoly market conditions allowing premium pricing
Industrial sickness in public sector units often stems from internal inefficiencies like overstaffing and external factors like political interference or technological obsolescence. However, possessing a monopoly in the market usually prevents sickness by allowing the firm to set prices and secure customers without competition. Such conditions generally support financial stability rather than contributing to the decline or failure of the enterprise.

15. (D) Asset recycling of brownfield projects
The National Monetisation Pipeline involves the strategic recycling of existing brownfield assets such as roads and power lines. By leasing out these operational projects to private investors, the government can unlock significant capital. This approach allows the state to reinvest the generated funds into building new greenfield infrastructure, thereby fostering continuous economic growth and modernization without increasing the national debt burden.

16. (C) Investment up to Rs. 50 crore and Turnover up to Rs. 250 crore
Under the revised 2020 classification, a medium enterprise is defined by specific financial thresholds for investment and turnover. An entity qualifies as medium if its investment in plant and machinery does not exceed fifty crore rupees and its annual turnover remains within two hundred and fifty crore rupees. These updated limits were

(A) I, II and III only
(B) II, III and IV only
(C) I and III only
(D) I and IV only
(E) Answer not known

66. Consider the following criteria under the revised MSME classification implemented from July 2020:
I. The distinction between manufacturing and service enterprises has been eliminated.
II. Both investment and annual turnover are used as composite criteria for classification.
III. Export turnover is excluded from the calculation of total turnover for MSME classification.
IV. A micro enterprise must have an investment of less than Rs. 1 crore and turnover less than Rs. 5 crore.
V. The classification is exclusively applicable only to registered corporate entities and excludes sole proprietorships.
Which of the above statement(s) is/are incorrect?
(A) V only
(B) III, IV and V only
(C) I, II and III only
(D) II, IV and V only
(E) Answer not known

67. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option from the choices given below.
Assertion (A): The MSME sector is often referred to as a nursery of entrepreneurship and innovation.
Reason (R): MSMEs possess inherently flexible operational structures, allowing them to adapt quickly to changing market dynamics and niche demands.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

68. Match the items in List I with those in List II and select the correct option.
List I: (CPSEs)
P. BHEL (Bharat Heavy Electricals Limited)
Q. HAL (Hindustan Aeronautics Limited)
R. IRCTC (Indian Railway Catering and Tourism Corporation)
S. BSNL (Bharat Sanchar Nigam Limited)
List II: (Current Status)
I. Maharatna
II. Navratna
III. Miniratna Category-I
IV. Sick/Loss-making PSU undergoing revival packages
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

69. Select the option showing the correct logical sequence of accessing credit under the PMEGP scheme.
(A) Project formulation by entrepreneur → Submission of application online → Scrutiny by Task Force Committee → Sanction of bank loan → Release of margin money subsidy
(B) Release of margin money subsidy → Sanction of bank loan → Submission of application online → Scrutiny by Task Force Committee → Project formulation
(C) Scrutiny by Task Force Committee → Project formulation → Release of margin money subsidy → Submission of application online → Sanction of bank loan
(D) Submission of application online → Release of margin money subsidy → Project formulation → Sanction of bank loan → Scrutiny by Task Force Committee
(E) Answer not known

70. Arrange the following infrastructure sectors in descending order based on their target value share (monetisation potential) in the National Monetisation Pipeline (NMP) over the FY2022-25 period.
I. Power Transmission & Generation
II. Roads
III. Railways
(A) II, III, I
(B) III, II, I
(C) II, I, III
(D) I, II, III

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(E) Answer not known

71. Identify the pair that is correctly matched regarding disinvestment methods.
(A) Strategic Sale - Sale of a small portion of government shares to public.
(B) ETF - Monetising government stake in a basket of CPSEs via one tool.
(C) Minority Stake Sale - Transfer of management control to a private entity.
(D) Offer for Sale (OFS) - Issuing new shares to foreign governments only.
(E) Answer not known

72. Identify the correct statement regarding the MUDRA (Micro Units Development and Refinance Agency) scheme.
(A) Providing loans up to Rs. 10 crore exclusively to large corporate firms.
(B) Providing direct loans to farmers for purchasing specialized agricultural land.
(C) Refinancing institutions lending to micro units under various categories.
(D) It is a subsidiary fully owned by the World Bank for developing economies.
(E) Answer not known

73. Identify the incorrect statement regarding the Udyam Registration portal.
(A) It provides a permanent registration number for MSMEs.
(B) The registration process is fully paperless and based on self-declaration.
(C) Aadhaar is mandatory for completing the Udyam registration process.
(D) A physical inspection of the enterprise premises is mandatory before granting the Udyam certificate.
(E) Answer not known

74. Which of the following is NOT a core function of the Small Industries Development Bank of India (SIDBI)?
(A) Direct financing to multi-national corporations for cross-border mergers.
(B) Refinancing loans extended by primary lending institutions to small units.
(C) Promoting and developing the Micro, Small and Medium Enterprises sector.
(D) Acting as the nodal agency for various MSME subsidy schemes of the state.
(E) Answer not known

75. Loans given by commercial banks to Micro and Small Enterprises are classified by the Reserve Bank of India under which mandatory lending category?
(A) Capital Market Exposure
(B) Priority Sector Lending (PSL)
(C) External Commercial Borrowings
(D) Sovereign Debt
(E) Answer not known

76. In the historic strategic disinvestment of Air India in 2021-22, which corporate group successfully acquired the airline?
(A) Reliance Industries Limited
(B) Tata Group
(C) Adani Group
(D) Aditya Birla Group
(E) Answer not known

77. Which of the following accurately describes a 'Statutory Corporation'?
(A) Public enterprise established by a special Act defining its powers.
(B) Company entirely owned by private individuals but funded by government grants.
(C) Department functioning directly under a ministry without a separate identity.
(D) Non-governmental organization registered under the Societies Registration Act.
(E) Answer not known

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78. As of recent updates in the CPSE classification, approximately how many public sector enterprises hold the prestigious 'Maharatna' status in India?
(A) Between 3 and 5
(B) Exactly 50
(C) Between 10 and 15
(D) More than 100
(E) Answer not known

79. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option from the choices given below.
Assertion (A): The promotion of Green Hydrogen is a critical component of India's strategy to meet its renewable energy targets

and reduce carbon emissions.
Reason (R): Green Hydrogen is produced using electrolysis powered by renewable energy sources, resulting in zero carbon emissions during its production process.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

80. Match the items in List I with those in List II and select the correct option.
List I: (Port infrastructure development components)
P. Port Modernization
Q. Port Connectivity Enhancement
R. Port-led Industrialization
S. Coastal Community Development
List II: (Objectives)
I. Setting up Coastal Economic Zones (CEZs) to boost manufacturing
II. Expanding capacity and improving operational efficiency of existing ports
III. Skilling and livelihood generation for fisherfolk
IV. Integrating inland waterways and developing multi-modal logistics parks
(A) P-II, Q-IV, R-I, S-III
(B) P-IV, Q-II, R-III, S-I
(C) P-I, Q-III, R-II, S-IV
(D) P-II, Q-I, R-IV, S-III
(E) Answer not known

81. Identify the pair that is incorrectly matched regarding PPP variations and their characteristics.
(A) Build-Operate-Transfer (BOT) - Private sector builds, operates for a concession period, and transfers back.
(B) Build-Own-Operate (BOO) - The facility is permanently transferred to the government immediately after construction.
(C) Design-Build-Finance-Operate (DBFO) - Private sector handles design, financing, and operations, usually recovering costs through user fees.
(D) Toll Operate Transfer (TOT) - Monetisation of already operational public infrastructure assets for a lump sum concession fee.
(E) Answer not known

82. Identify the correct statement regarding High-Speed Rail infrastructure in India.
(A) The high-speed rail network is based entirely on indigenous magnetic levitation technology.
(B) High-speed rail corridors are primarily intended for the transportation of bulk commodities like coal.
(C) The project is being fully funded by the Asian Development Bank with no sovereign contribution.
(D) The first high-speed rail corridor is being constructed between Mumbai and Ahmedabad.
(E) Answer not known

83. Identify the incorrect statement regarding the Eastern Dedicated Freight Corridor (EDFC).
(A) It is specifically designed to facilitate passenger traffic of the Vande Bharat Express trains.
(B) It spans from Sahnewal near Ludhiana in Punjab to Dankuni in West Bengal.
(C) It is predominantly funded by the World Bank.
(D) It involves the creation of a broad-gauge double-line electrified railway track.
(E) Answer not known

84. Which of the following was NOT a key reform introduced by the Electricity Act of 2003?
(A) Unbundling of State Electricity Boards into generation, transmission, and distribution entities.
(B) Introduction of open access in transmission and distribution networks.
(C) Complete ban on private sector participation in power generation.
(D) Establishment of independent electricity regulatory commissions.
(E) Answer not known

85. The 'Handloom Mark' scheme was introduced by the Government of India primarily for what purpose?
(A) Guaranteeing handwoven authenticity and branding for Indian handlooms.
(B) Marking handloom products meant strictly

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58. Identify the incorrect statement regarding the crisis in Power Distribution Companies (DISCOMs).
(A) The introduction of smart meters has drastically worsened the billing efficiency and increased losses.
(B) High Aggregate Technical and Commercial (AT&C) losses severely impact DISCOM revenues.
(C) Delayed payment of subsidies by state governments contributes to their financial distress.
(D) Underpricing of electricity for certain consumer segments forces DISCOMs to rely on cross-subsidization.
(E) Answer not known

59. Which of the following is NOT an intended outcome of the National Infrastructure Pipeline (NIP)?
(A) Improving project preparation and attracting investments into infrastructure.
(B) Eliminating the role of the private sector in national infrastructure building.
(C) Enhancing the socio-economic status of citizens by providing better amenities.
(D) Creating a robust pipeline of bankable projects for investors.
(E) Answer not known

60. While analysing the National Infrastructure Pipeline (NIP), projects such as Metro Rail, Bus Rapid Transit Systems, and Smart City development are grouped under which broad infrastructure sector?
(A) Logistics and Warehousing
(B) Urban Infrastructure
(C) Rural Infrastructure
(D) Heavy Industry
(E) Answer not known

61. What has been the general trend in direct employment within Central Public Sector Enterprises (CPSEs) in India over the last two decades?
(A) Gradual decline due to rationalisation, automation, and disinvestment.
(B) Exponential increase due to aggressive nationalisation of major firms.
(C) Remained exactly constant throughout the specified historical period.
(D) Doubled strictly to accommodate newly introduced reservation quotas.
(E) Answer not known

62. In infrastructure economics, the term 'Investment Multiplier' refers to:
(A) Ratio of private investment to government investment in a project.
(B) Compounding interest rate applied to long-term infrastructure bonds.
(C) Initial investment leading to a larger increase in national income.
(D) Depreciation rate of physical infrastructure assets over time periods.
(E) Answer not known

63. The Micro, Small and Medium Enterprises (MSME) sector contributes approximately what percentage to India's total exports?
(A) 15 percent
(B) 25 percent
(C) 75 percent
(D) 45 percent
(E) Answer not known

64. Consider the following causes for the sickness of Public Sector Units (PSUs):
I. Burden of carrying legacy staff and high operational costs.
II. Delays in taking critical market-oriented decisions due to bureaucratic red-tapism.
III. Swift adoption of cutting-edge technologies ahead of private competitors.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I only
(D) III only
(E) Answer not known

65. Consider the following statements regarding the role of BIFR in dealing with sick PSUs:
I. It was tasked with determining the sickness of industrial companies.
II. It prepared rehabilitation schemes for the revival of viable units.
III. It recommended the closure or winding up of non-viable units.
IV. It provided unlimited, non-repayable grants to all sick units regardless of viability.
Which of the above statement(s) is/are correct?

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to provide broadband connectivity to all Gram Panchayats.
Reason (R): Laying optical fibre cable in rural and remote areas of India is technologically impossible and legally prohibited.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

93. Match the items in List I with those in List II and select the correct option.
List I: (Electricity generation sources)
P. Thermal Power
Q. Solar Power
R. Nuclear Power
S. Wind Power
List II: (Characteristics)
I. Base load power with high initial capital cost but low recurring fuel cost; strict regulatory oversight required.
II. Generates maximum power during the day; rapid capacity addition seen in recent years under the National Mission.
III. Heavily dependent on monsoon winds; major capacity concentrated in states like Tamil Nadu and Gujarat.
IV. Accounts for the largest share of India's installed capacity; heavily reliant on coal.
(A) P-IV, Q-II, R-I, S-III
(B) P-I, Q-III, R-IV, S-II
(C) P-IV, Q-III, R-II, S-I
(D) P-II, Q-I, R-IV, S-III
(E) Answer not known

94. Identify the pair that is incorrectly matched regarding highway development models.
(A) EPC - Government pays developer to build road and retains ownership.
(B) BOT Toll - Developer builds road and recovers costs by collecting tolls.
(C) TOT - Government pays private entity to build new greenfield assets.
(D) HAM - Government pays 40% of cost during construction and annuities.
(E) Answer not known

95. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option from the choices given below.
Assertion (A): The privatization of major airports in India through the PPP route has significantly improved passenger amenities and operational efficiencies.
Reason (R): The Airports Authority of India (AAI) continues to receive a share of revenues from these privatized airports, enabling it to fund the development of smaller regional airports.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

96. Match the items in List I with those in List II and select the correct option.
List I: (Components of Pradhan Mantri Awas Yojana - Urban)
P. In-situ Slum Redevelopment (ISSR)
Q. Credit Linked Subsidy Scheme (CLSS)
R. Affordable Housing in Partnership (AHP)
S. Beneficiary-led Construction (BLC)
List II: (Mechanisms)
I. Using land as a resource with private participation to rehabilitate slum dwellers.
II. Interest subsidy on home loans for EWS, LIG, and MIG categories.
III. Financial assistance provided to eligible families to construct or enhance their own houses on their land.
IV. States and cities partnering with private or public agencies to build affordable housing projects.
(A) P-I, Q-II, R-IV, S-III
(B) P-II, Q-I, R-III, S-IV
(C) P-I, Q-III, R-II, S-IV
(D) P-IV, Q-II, R-I, S-III
(E) Answer not known

97. Identify the pair that is correctly matched regarding Viability Gap Funding (VGF) scheme parameters.
(A) Applicable only for private projects with no government concession agreement.
(B) Central VGF up to 20 percent of the Total

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Project Cost (TPC).
(C) Contract awarded to the bidder demanding the highest possible VGF amount.
(D) Entire VGF amount is disbursed before the start of project construction work.
(E) Answer not known

98. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option from the choices given below.
Assertion (A): The Zero Defect Zero Effect (ZED) scheme aims to enhance the global competitiveness of Indian MSMEs.
Reason (R): By encouraging MSMEs to adopt sustainable manufacturing practices and ensure high product quality, it reduces rejection rates and minimizes environmental degradation.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

99. Match the items in List I with those in List II and select the correct option.
List I: (Initiatives/Agencies)
P. Khadi and Village Industries Commission (KVIC)
Q. Central Silk Board
R. Coir Board
S. SIDBI
List II: (Primary Beneficiaries)
I. Artisans and enterprises involved in rural traditional industries and spinning/ weaving.
II. Rearers of silkworms and reeling units.
III. Workers extracting fibre from coconut husks, prominently in coastal southern states.
IV. Micro, Small and Medium Enterprises seeking formal credit and refinancing.
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

100. Identify the pair that is correctly matched regarding MSME cluster initiatives.
(A) Udyam Registration - Mandatory offline cluster formation by states.
(B) MSE-CDP - Strictly for dissolving existing industrial estates units.
(C) SFURTI - Revamping traditional industries into competitive clusters.
(D) ASPIRE Scheme - Promoting foreign investment in heavy metallurgy firms.
(E) Answer not known

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ANSWERS

1. (B) Jawaharlal Nehru
Jawaharlal Nehru envisioned the public sector as the foundation for India's industrialization, believing that state control over strategic sectors was essential for rapid economic growth and social equity. This policy aimed to reduce dependence on foreign capital while ensuring that the benefits of industrial development reached all sections of society through state-led initiatives and extensive planning.

2. (D) A long-term contract between a private party and government with shared risks and management.
Public-Private Partnerships involve long-term agreements between government entities and private companies to deliver public services or infrastructure. This collaborative model facilitates the sharing of risks, resources, and rewards between both parties. It leverages private sector efficiency and capital while maintaining public oversight to ensure projects meet societal needs and developmental goals effectively over a significant time period.

3. (A) It must already hold a Navratna status and be listed on an Indian stock exchange.
Central Public Sector Enterprises must first achieve Navratna status to be eligible for the Maharatna designation. Additional requirements include being listed on the Indian stock exchange with a minimum prescribed public shareholding. This status grants significant financial autonomy, allowing these enterprises to make large-scale investments and expand operations globally without needing constant government approvals for their specific capital projects.

4. (A) II and III only
Departmental undertakings are established as part of a government ministry rather than through a separate legislative act. They lack a distinct legal identity and are managed directly by civil servants. Financing for these entities comes straight from the government treasury via annual budgetary allocations, making them subject to strict financial controls and parliamentary oversight during their daily commercial operations.

5. (A) I, II and III only
Establishing the public sector in post-independence India was driven by the need to address market failures in capital-intensive industries where private investment was lacking. The goal included promoting balanced regional growth and preventing wealth concentration among a few private players. Generating short-term profits was never the primary objective; instead, long-term socio-economic development remained the central focus of these investments.

6. (B) III, IV and V only
Government companies are incorporated under the Companies Act and require at least fifty-one percent state ownership. Although they possess some operational flexibility, they do not enjoy the highest level of autonomy compared to other entities. Their annual reports must be presented before Parliament, and their financial accounts are subject to mandatory audits by the Comptroller and Auditor General of India.

7. (A) Both A and R are true and R is the correct explanation of A.
Strategic disinvestment involves selling a substantial portion of government shares along with the transfer of management control to a private buyer. The objective is to improve the performance of the enterprise by introducing private sector management practices and professional expertise. This shift aims to enhance operational efficiency, promote technological modernization, and ensure the long-term profitability of the divested entity.

8. (A) P-III, Q-I, R-IV, S-II
Different public sector structures serve specific administrative and economic roles. The Ordnance Factory Board historically operated as a departmental undertaking. The Life Insurance Corporation was created through a special legislative act, making it a statutory corporation. Chennai Petroleum Corporation Limited is

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for destruction due to quality.
(C) Identifying powerloom products that are mimicking traditional hand designs.
(D) Tracking the exact GPS location of the individual weaver and the loom.
(E) Answer not known

86. The Government of India has committed at the international climate forums to achieve a target of 500 GW of installed electricity capacity from non-fossil fuel sources by which year?
(A) 2025
(B) 2040
(C) 2050
(D) 2030
(E) Answer not known

87. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option from the choices given below.
Assertion (A): The Sagarmala project emphasises 'port-led development' rather than just 'port development'.
Reason (R): It integrates port modernization with industrialization, connectivity, and coastal community development to reduce logistics costs for domestic and EXIM cargo.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

88. Match the items in List I with those in List II and select the correct option.
List I: (Central schemes)
P. AMRUT
Q. UDAN
R. BharatNet
S. Bharatmala
List II: (Primary target sectors)
I. Optical Fibre connectivity for Gram Panchayats
II. Urban water supply and sewerage transformation
III. Optimization of national highway corridors
IV. Regional aviation connectivity
(A) P-II, Q-IV, R-I, S-III
(B) P-IV, Q-II, R-III, S-I
(C) P-I, Q-III, R-II, S-IV
(D) P-II, Q-I, R-IV, S-III
(E) Answer not known

89. Identify the pair that is correctly matched regarding the nuances of public sector reform.
(A) Privatisation - Government acquiring over 50% shares in a private firm.
(B) Nationalisation - Transfer of public sector units to private shareholders.
(C) Asset Monetisation - Outright sale of public land for permanent housing.
(D) Disinvestment - Liquidating shares without necessarily losing control.
(E) Answer not known

90. Identify the correct statement regarding the funding structure of the National Infrastructure Pipeline (NIP).
(A) Shared funding between the Centre, States, and the private sector.
(B) The Central Government bears 100 percent of the total funding requirement.
(C) Foreign Direct Investment is strictly prohibited in projects under the NIP.
(D) State governments have no financial obligations towards any NIP projects.
(E) Answer not known

91. Identify the incorrect statement regarding the National Bank for Financing Infrastructure and Development (NaBFID).
(A) It was established under an Act of Parliament passed in 2021.
(B) It is designed to act strictly as an equity market regulator replacing SEBI for infrastructure companies.
(C) It functions as the principal Development Financial Institution (DFI) for infrastructure financing.
(D) It aims to attract both domestic and international institutional investors.
(E) Answer not known

92. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option from the choices given below.
Assertion (A): The BharatNet project exclusively utilizes satellite communication

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introduced to encourage growth and scalability within the sector.

17. (B) Grant for economically justified projects lacking financial viability.
Viability Gap Funding is a financial grant provided by the government to support infrastructure projects that are economically essential but lack immediate financial attractiveness for private investors. This assistance bridges the gap between the project's cost and its expected revenue, making it feasible for private participation. It ensures that critical public services can be developed through public-private partnership models.

18. (D) Ministry of Finance
The Department of Investment and Public Asset Management functions under the Ministry of Finance. Its primary responsibility is managing the government's investments in equity, including disinvestment and the efficient management of public assets. DIPAM plays a crucial role in meeting the government's budgetary targets and ensuring that public sector enterprises contribute optimally to the nation's financial health and capital resources.

19. (A) I and III only
The Board for Industrial and Financial Reconstruction was established in 1987 under the Sick Industrial Companies Act of 1985. Its purpose was to identify sick units and facilitate their revival or closure. It did not focus on privatizing profitable firms. Later, the board was dissolved, and its duties were transferred to the National Company Law Tribunal to streamline insolvency proceedings.

20. (A) I, III and IV only
Public sector enterprises in India frequently face challenges such as implementation delays and cost overruns. A lack of commercial autonomy often hinders quick decision-making in competitive markets. Additionally, these units bear significant social costs, including the maintenance of extensive townships and employee welfare facilities. Strict adherence to capacity targets is usually a goal rather than a problem affecting their performance.

21. (C) III and V only
Minority stake sales involve selling less than fifty percent of government shares while retaining management control, unlike strategic sales. Furthermore, proceeds from disinvestment are credited to the National Investment Fund rather than the Consolidated Fund of India for specific uses. Methods like initial public offerings and exchange-traded funds are standard tools for monetizing government holdings in various central enterprises.

22. (A) Both A and R are true and R is the correct explanation of A.
The National Monetisation Pipeline prioritizes brownfield assets because they are already operational and generating revenue. These projects carry lower risks compared to greenfield developments, as they have already overcome construction and initial regulatory hurdles. This makes them highly attractive to institutional investors seeking stable returns, allowing the government to raise capital for new infrastructure while the private sector manages assets.

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23. (A) P-III, Q-IV, R-I, S-II
Different Public-Private Partnership models allocate risks and funding differently. In the BOT Toll model, the private developer recovers costs directly through user fees. BOT Annuity involves fixed government payments to the developer over time. Under the EPC model, the government funds the entire construction. The Hybrid Annuity Model combines these approaches, with the state contributing forty percent of the cost.

24. (A) Providing Aadhaar Number → Self-declaration of investment and turnover → PAN validation → Issuance of Udyam Registration Certificate
To register an MSME on the Udyam portal, an entrepreneur must first provide an Aadhaar number for identity verification. This is followed by a self-declaration of the company's investment and annual turnover. The system then validates these details against PAN and GST records. Once verification is successful, the portal issues a permanent Udyam Registration Certificate to formalize the business entity.

58. (A) The introduction of smart meters has drastically worsened the billing efficiency and increased losses.
Power distribution companies face significant financial challenges due to high technical and commercial losses and delayed subsidy payments from state governments. Underpricing electricity for specific groups also strains their revenues. Contrary to being a cause of loss, the introduction of smart meters is actually a reform measure designed to improve billing accuracy, reduce power theft, and enhance the overall operational efficiency.

59. (B) Eliminating the role of the private sector in national infrastructure building.
The National Infrastructure Pipeline aims to enhance the quality of life for citizens by providing better amenities and creating a steady stream of bankable projects. It is designed to attract significant investment from both the public and private sectors. Rather than eliminating private participation, the NIP actively encourages private investment to share the financial and operational responsibilities of building national infrastructure.

60. (B) Urban Infrastructure
Projects such as Metro Rail, Bus Rapid Transit Systems, and Smart City initiatives are all central components of urban infrastructure. These developments are designed to improve mobility and living standards within densely populated city areas. Under the National Infrastructure Pipeline, these projects are categorized together because they share the common goal of modernizing city transport and services to support urban growth.

61. (A) Gradual decline due to rationalisation, automation, and disinvestment.
Direct employment in Central Public Sector Enterprises has generally declined over the past two decades. This trend is primarily driven by various factors, including the rationalization of the workforce, increased automation of industrial processes, and the strategic disinvestment or closure of certain units. These measures aim to improve the efficiency and competitiveness of the remaining enterprises in a market-oriented economy.

62. (C) Initial investment leading to a larger increase in national income.
In macroeconomics, the investment multiplier describes the phenomenon where an initial change in spending, such as government investment in infrastructure, leads to a proportionately larger increase in the total national income. This occurs because the initial expenditure generates income for workers and suppliers, who then spend that money, creating further cycles of economic activity and demand throughout the economy.

63. (D) 45 percent
The Micro, Small, and Medium Enterprises sector is a powerhouse of Indian international trade, contributing approximately forty-five percent of the country's total exports. This significant share highlights the sector's role in earning foreign exchange and integrating Indian products into global value chains. Through diverse products ranging from textiles to engineering goods, MSMEs play a critical part in maintaining trade balances.

64. (A) I and II only
Many public sector units suffer from industrial sickness due to high operational costs linked to large legacy staff and outdated labor practices. Bureaucratic hurdles often lead to delays in making critical commercial decisions, making it difficult for these firms to compete with more agile private companies. In reality, a failure to adopt cutting-edge technology quickly enough is a major cause.

65. (A) I, II and III only
The Board for Industrial and Financial Reconstruction was tasked with identifying sick industrial units and determining their potential for recovery. It prepared detailed rehabilitation schemes to revive viable companies and recommended the closure of those that were beyond financial salvation. The board did not provide unlimited or non-repayable grants to every unit; its focus was on professional assessment and restructuring.

66. (A) V only
The revised MSME classification of 2020 applies a composite criterion of investment and turnover to both manufacturing and service sectors. Crucially, this definition is inclusive

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33. (B) 1956
The Khadi and Village Industries Commission is a statutory body established by the Indian government. It was created under the Khadi and Village Industries Commission Act passed by Parliament in 1956. The organization is responsible for planning, promoting, and organizing programs for the development of Khadi and other village industries in rural areas, helping to generate employment and strengthen the economy.

34. (A) I and II only
The Coir Board and the Central Silk Board are essential for promoting specific traditional industries in India. Coir production is heavily concentrated in southern states like Kerala. The Silk Board supports sericulture through research and development. However, these boards do not both operate under the Ministry of Agriculture; for instance, the Coir Board is under the Ministry of MSME.

35. (A) I, II and IV only
The handloom sector faces stiff competition from powerlooms that produce cheaper imitations of traditional designs. Fluctuating yarn prices and availability issues also hinder consistent production for many weavers. Additionally, changing consumer preferences toward modern attire have reduced the demand for traditional handwoven garments. The Handloom Mark actually helps the industry by certifying authenticity rather than restricting international export opportunities.

36. (A) I, II, III and V only
Infrastructure investment creates a multiplier effect that stimulates broader economic activity and income growth. Efficient transport and energy networks reduce logistics costs, making domestic products more competitive. Rural infrastructure projects play a vital role in poverty alleviation by improving access to markets. While economic infrastructure focuses on physical assets, social infrastructure addresses education and health. Supply-side bottlenecks often lead to inflation.

37. (A) Both A and R are true and R is the correct explanation of A.
The Ujwal DISCOM Assurance Yojana was designed to address the chronic financial losses of state-owned power distribution companies. A key feature of the scheme required state governments to take over seventy-five percent of the accumulated debt of their DISCOMs. By converting this debt into state bonds, the scheme aimed to reduce interest burdens and enable these companies to achieve a sustainable turnaround.

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38. (A) P-IV, Q-II, R-I, S-III
Various missions target specific infrastructure needs across India. Bharatmala Pariyojana focuses on optimizing freight and passenger movement via roads. The Sagarmala Project aims at port-led development to boost maritime trade. The UDAN scheme stimulates regional air connectivity through affordable fares. Meanwhile, the AMRUT mission works to improve urban services like water supply and sewerage systems to enhance the quality of urban life.

39. (A) Enactment of Electricity Act → Unbundling of State Electricity Boards → Launch of UDAY Scheme → Announcement of 500 GW non-fossil capacity target
The transformation of the Indian power sector began with the milestone Electricity Act in 2003, which led to the unbundling of integrated state boards. To address the resulting financial distress of distribution companies, the UDAY scheme was launched in 2015. More recently, the government announced an ambitious target to achieve five hundred gigawatts of non-fossil fuel electricity generation capacity by 2030.

40. (A) II, III, I, IV
Coal-based thermal power remains the dominant source of electricity in India, accounting for the largest share of installed capacity. Solar power has seen rapid growth and now holds a significant portion of the mix, often exceeding large hydro capacity in recent years. Nuclear power, despite its importance for base load, currently contributes the smallest percentage to the country's total power capacity.

focus remains on strengthening the domestic ecosystem for small businesses.

75. (B) Priority Sector Lending (PSL)
Loans extended by commercial banks to micro and small enterprises are a mandatory component of Priority Sector Lending. The Reserve Bank of India requires banks to allocate a specific portion of their total credit to these sectors to ensure they have adequate access to finance. This policy helps drive inclusive economic growth by supporting small businesses that might otherwise struggle.

76. (B) Tata Group
In a landmark strategic disinvestment completed in 2022, the Tata Group successfully acquired Air India from the government. The sale included the national carrier, its low-cost subsidiary Air India Express, and its fifty percent stake in the ground-handling company AISATS. This move marked the return of the airline to its original founders and represented a significant step in the privatization agenda.

77. (A) Public enterprise established by a special Act defining its powers.
A statutory corporation is a public enterprise created by a special act of Parliament or a state legislature. This act defines the corporation's specific powers, functions, and rules for management. These entities possess a separate legal identity and enjoy significant operational autonomy, although they remain accountable to the legislature. Prominent examples include the Reserve Bank of India and Life Insurance Corporation.

78. (C) Between 10 and 15
The number of Central Public Sector Enterprises holding the Maharatna status has increased over the years as more companies meet the rigorous financial and operational criteria. Currently, there are between ten and fifteen such elite enterprises in India. This designation provides the highest degree of autonomy in making investment decisions, allowing these firms to compete effectively and expand their operations globally.

79. (B) Both A and R are true but R is not the correct explanation of A.
Promoting Green Hydrogen is essential for India to reach its ambitious carbon reduction and renewable energy goals. This fuel is produced through electrolysis using electricity from renewable sources, which ensures no carbon emissions are released during production. While the production process is environmentally friendly, its promotion is part of a broader strategy that also includes energy security and national goals.

80. (A) P-II, Q-IV, R-I, S-III
The Sagarmala Project involves several interconnected components to modernize India's maritime sector. Port modernization focuses on improving capacity and efficiency. Connectivity enhancement integrates inland waterways and logistics parks for better cargo movement. Port-led industrialization creates dedicated economic zones near ports to boost manufacturing. Finally, coastal community development aims to improve the livelihoods of local residents through skill development and social welfare.

81. (B) Build-Own-Operate (BOO) - The facility is permanently transferred to the government immediately after construction.
Public-Private Partnership models vary in how ownership and operations are handled. In a Build-Own-Operate model, the private entity retains permanent ownership and operates the facility indefinitely. This is different from the Build-Operate-Transfer model, where the asset is eventually handed back to the government. Therefore, stating that a BOO facility is transferred to the government immediately after construction is factually incorrect.

82. (D) The first high-speed rail corridor is being constructed between Mumbai and Ahmedabad.
India's first high-speed rail corridor is currently being developed to connect the cities of Mumbai and Ahmedabad. This ambitious project aims to significantly reduce travel time and boost economic activity along the route. It utilizes advanced Shinkansen technology from Japan and is being implemented through a dedicated special purpose vehicle. The corridor is primarily designed for passenger traffic and regional development.

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and well-maintained open spaces like parks. While it complements the Smart Cities Mission, it does not replace it; instead, it targets a much larger number of cities.

50. (A) I, II and III only
Pradhan Mantri Awas Yojana is a comprehensive program designed to achieve the goal of "Housing for All." It includes both urban and rural components to address diverse housing needs. The scheme offers interest subsidies through the Credit Linked Subsidy Scheme for eligible beneficiaries. Importantly, it promotes women's empowerment by encouraging that the house be owned or co-owned by a female member.

51. (A) I, II, III and IV only
The National Infrastructure Pipeline is a whole-of-government exercise to provide world-class infrastructure across the country. It covers a wide range of sectors, including energy, roads, railways, and urban development, which are critical for economic growth. Emerging digital activities like cryptocurrency mining are not part of this planned national infrastructure framework, as the pipeline focuses on physical and social assets.

52. (A) Both A and R are true and R is the correct explanation of A.
Infrastructure Investment Trusts are innovative financial instruments used to attract private investment into the infrastructure sector. They operate by pooling funds from multiple investors to acquire and manage operational, revenue-generating assets like highways or power lines. This model provides liquidity to developers, allowing them to release capital from completed projects and reinvest it into new infrastructure developments across the entire country.

53. (A) P-II, Q-IV, R-I, S-III
Infrastructure projects utilize various financing mechanisms to meet their long-term capital needs. Infrastructure bonds are debt instruments used to raise funds. InvITs function as trust-based investment vehicles for operational assets. NaBFID was recently established as a specialized development finance institution to provide long-term funding. Viability Gap Funding provides essential government grants to ensure that economically important but low-return projects become viable.

54. (A) Project Identification → Financial Closure → Construction → Operation and Toll Collection → Transfer to Government
The Build-Operate-Transfer model follows a structured sequence of development phases. It begins with identifying a viable project, followed by securing the necessary funding through financial closure. The private partner then undertakes construction and operates the facility for a set period, recovering costs via tolls or fees. Finally, the asset is transferred back to the government at the end of the concession period.

55. (A) II, IV, III, I
India's telecommunications sector has evolved through successive generations of technology. The widespread rollout began with 2G, which introduced digital voice services. This was followed by 3G, enabling basic mobile data. The launch of 4G LTE revolutionized the market with high-speed internet and video streaming capabilities. Most recently, 5G technology was introduced, offering even higher speeds and ultra-low latency for advanced applications.

56. (C) Telecom Regulatory Authority of India (TRAI) - Regulation of telecom services and tariffs
The Telecom Regulatory Authority of India is the independent body responsible for regulating telecommunications services and tariffs in the country. It ensures fair competition and protects consumer interests. Other organizations like NHAI and AAI have different mandates, specifically focusing on national highways and airports, respectively. Each body plays a specialized role in governing its respective sector to ensure efficient service.

57. (D) Addressing long-term financing gaps in the infrastructure sector.
The National Bank for Financing Infrastructure and Development was established by the government to address the critical shortage of long-term finance in the infrastructure sector. As a development financial institution, it provides large-scale, long-duration loans that commercial banks often cannot offer. Its primary goal is to support the ambitious goals of the National Infrastructure Pipeline by attracting both domestic and global investments.

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specialized development financial institution to provide long-term funding for major projects. It is governed by an act of Parliament and aims to attract institutional investors. However, it is not an equity market regulator; that role belongs to the Securities and Exchange Board of India.

92. (D) A is false but R is true.
The claim that BharatNet relies exclusively on satellite communication is false, as the project primarily uses optical fibre cables to connect Gram Panchayats. Similarly, the reason is false because laying optical fibre in rural areas is both technologically feasible and legally supported by the government. In fact, thousands of kilometers of cable have already been successfully installed across the country.

93. (A) P-IV, Q-II, R-I, S-III
India's power mix includes various sources with distinct characteristics. Thermal power, mainly coal-based, provides the largest share of capacity. Solar power has seen rapid growth due to national missions and peak daytime generation. Nuclear power serves as a base load source but requires high capital and strict safety regulation. Wind power is highly dependent on seasonal weather patterns in coastal states.

94. (C) TOT - Government pays private entity to build new greenfield assets.
The Toll-Operate-Transfer model is specifically designed for monetizing existing, operational brownfield assets rather than building new greenfield ones. Under this model, the government leases out completed highways to private players for a set period in exchange for an upfront payment. This allows the state to recycle capital and fund new infrastructure, while the private partner handles maintenance and tolls.

95. (A) Both A and R are true and R is the correct explanation of A.
Privatizing major airports through public-private partnerships has led to significant improvements in infrastructure and passenger services due to private sector expertise. The revenue-sharing model ensures that the Airports Authority of India continues to receive a portion of the earnings from these hubs. This financial arrangement is crucial as it provides the AAI with the funds to develop regional airports.

96. (A) P-I, Q-II, R-IV, S-III
Pradhan Mantri Awas Yojana - Urban utilizes several mechanisms to provide housing. In-situ Slum Redevelopment uses land as a resource to rehabilitate slum dwellers. The Credit Linked Subsidy Scheme offers interest subsidies on home loans. Affordable Housing in Partnership involves collaborations between states and private agencies. Beneficiary-led Construction provides financial help to eligible families to build or improve their own homes.

97. (B) Central VGF up to 20 percent of the Total Project Cost (TPC).
The Viability Gap Funding scheme provides a crucial grant to make essential infrastructure projects financially attractive for private developers. Under the standard guidelines, the central government provides a grant of up to twenty percent of the total project cost. The selection process typically awards the contract to the bidder who requests the lowest amount of funding, ensuring efficient resource use.

98. (B) Both A and R are true but R is not the correct explanation of A.
The Zero Defect Zero Effect scheme is designed to help Indian MSMEs achieve global manufacturing standards. By focusing on producing high-quality goods with zero defects, firms can reduce waste and improve customer satisfaction. Simultaneously, the emphasis on zero environmental effect promotes sustainable practices. While both these goals are vital, the scheme's overall focus is on building a competitive industrial sector.

99. (A) P-I, Q-II, R-III, S-IV
Various organizations support specific groups within the MSME sector. The Khadi and Village Industries Commission focuses on rural artisans and traditional spinning. The Central Silk Board serves silkworm rearers and silk processors. The Coir Board targets workers in the coconut fibre industry. SIDBI acts as a principal institution providing essential formal credit and refinancing to micro, small, and medium enterprises.

100. (C) SFURTI - Revamping traditional industries into competitive clusters.
The Scheme of Fund for Regeneration of Traditional Industries aims to organize traditional

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of all business structures, including sole proprietorships, partnerships, and cooperatives, not just registered corporate entities. Therefore, claiming that the classification excludes non-corporate businesses is incorrect, as the system aims to cover diverse small-scale enterprises.

67. (A) Both A and R are true and R is the correct explanation of A.
MSMEs are often considered the nursery of entrepreneurship because they provide a starting point for new business leaders to innovate and grow. Their small size and flexible management allow them to respond quickly to market changes and specialize in niche areas that larger firms might overlook. This adaptability fosters a culture of creativity and resilience, which is essential for development.

68. (A) P-I, Q-II, R-III, S-IV
Central Public Sector Enterprises are categorized based on their performance and scale. BHEL is a prominent Maharatna company with extensive operations in the power sector. HAL holds Navratna status, reflecting its significant role in aerospace and defense. IRCTC is classified as a Miniratna Category-I entity, managing railway catering and tourism. BSNL, meanwhile, has faced financial challenges and is undergoing revival packages.

69. (A) Project formulation by entrepreneur → Submission of application online → Scrutiny by Task Force Committee → Sanction of bank loan → Release of margin money subsidy
Accessing credit under the Prime Minister's Employment Generation Programme involves several distinct stages. An entrepreneur must first formulate a project plan and submit an online application. A task force committee then scrutinizes the proposal for viability. If approved, a commercial bank sanctions the necessary loan. Finally, the government releases the margin money subsidy, which is kept in deposit for three years.

70. (A) II, III, I
The National Monetisation Pipeline identifies roads as the sector with the highest potential value for asset recycling, followed by the railways. These two sectors together account for a majority share of the total monetisation target. Power transmission and generation assets also represent a significant portion of the pipeline, though their estimated value is lower than that of the transport-related infrastructure sectors.

71. (B) ETF - Monetising government stake in a basket of CPSEs via one tool.
An Exchange Traded Fund allows the government to monetise its holdings in a diversified basket of central public sector enterprises through a single investment tool. This method is efficient for reaching a wide range of investors. Other disinvestment types like strategic sales involve transferring management control, while minority stake sales keep the government in charge of the company's daily operations.

72. (C) Refinancing institutions lending to micro units under various categories.
The Micro Units Development and Refinance Agency, or MUDRA, was established to support small businesses by providing refinancing to banks and other institutions that lend to micro-enterprises. It categorizes loans into Shishu, Kishor, and Tarun based on the funding amount required. MUDRA itself does not lend directly to individuals; instead, it strengthens the financial ecosystem that serves small entrepreneurs.

73. (D) A physical inspection of the enterprise premises is mandatory before granting the Udyam certificate.
The Udyam Registration portal is designed to be a simple, paperless, and fully digital system for formalizing small businesses. It relies on Aadhaar-based self-declaration of information regarding investment and turnover. Contrary to some older systems, there is no requirement for a physical inspection of the premises before the registration certificate is issued, making the process much faster for all entrepreneurs.

74. (A) Direct financing to multi-national corporations for cross-border mergers.
The Small Industries Development Bank of India is the principal institution for promoting and developing the MSME sector. It provides refinancing to primary lenders and also offers direct financial assistance to small-scale units. However, its mandate does not include providing direct financing to large multi-national corporations for international mergers. Its core

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41. (D) Target for cumulative electric power installed capacity from non-fossil sources - 50 percent
India has set ambitious climate goals to be achieved by the year 2030. One of the primary targets is to ensure that fifty percent of the country's cumulative electric power installed capacity comes from non-fossil fuel-based energy sources. This commitment is part of the nation's broader strategy to reduce carbon intensity and transition toward a more sustainable and greener energy future.

42. (A) Developing economic corridors and feeder routes for freight efficiency.
The Bharatmala Pariyojana is a major umbrella program for the highways sector that focuses on optimizing the efficiency of freight and passenger movement. It involves developing economic corridors, inter-corridors, and feeder routes to bridge critical infrastructure gaps. The project also emphasizes improving connectivity to border areas and coastal regions, utilizing a mix of central funding and private investment to achieve goals.

43. (B) It involves the creation of a broad-gauge double-line electrified railway track.
The Dedicated Freight Corridors are designed to revolutionize rail transport by separating freight from passenger traffic. While many segments are double-line, the network includes specific sections, particularly within the Eastern Dedicated Freight Corridor, that are constructed as single-line tracks. Therefore, describing the entire project as a universal double-line system is inaccurate, despite the overall goal of providing high-capacity, electrified transport routes.

44. (B) Privatization of all inland waterways strictly to foreign operators
The Sagarmala Project is built on four key pillars: modernizing existing ports, enhancing port connectivity, promoting port-led industrialization, and developing coastal communities. It aims to reduce logistics costs and boost exports by leveraging India's coastline. The project does not involve the mandatory privatization of all inland waterways to foreign operators; instead, it focuses on improving infrastructure and multi-modal integration.

45. (A) Smart Cities Mission
The Smart Cities Mission focuses on promoting cities that provide core infrastructure and give a decent quality of life to their citizens. It utilizes two main strategies: area-based development to transform specific local areas and pan-city initiatives that apply smart solutions across the entire urban area. Examples include intelligent traffic management systems and digitized public services, which aim to improve sustainability.

46. (C) Stimulating regional air connectivity and affordable mass air travel.
The UDAN scheme, part of the National Civil Aviation Policy, aims to make air travel affordable and widespread. Its primary focus is on stimulating regional connectivity by reviving unserved and underserved airports. By providing financial incentives and viability gap funding to airlines, the government ensures that people in smaller towns can access air transport at capped fares, fostering regional economic development.

47. (D) High-speed broadband for Gram Panchayats via optical fibre cable.
BharatNet is a flagship project aimed at providing high-speed broadband connectivity to all Gram Panchayats across India. Using optical fibre cables, the initiative seeks to bridge the digital divide between urban and rural areas. This infrastructure enables the delivery of various e-governance services, online education, and telemedicine, thereby empowering rural communities and supporting the broader goals of the Digital India mission.

48. (C) 100
When the Smart Cities Mission was launched by the Government of India in 2015, it set a specific initial target to develop one hundred smart cities. These cities were selected through a competitive process known as the City Challenge. The goal was to create models of urban development that could be replicated in other parts of the country to improve urban living.

49. (A) I and II only
The Atal Mission for Rejuvenation and Urban Transformation focuses on providing basic services like water supply and sewerage to every urban household. It also aims to improve the amenity value of cities by developing greenery

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83. (A) It is specifically designed to facilitate passenger traffic of the Vande Bharat Express trains.
The Eastern Dedicated Freight Corridor is designed solely to facilitate the movement of goods, particularly bulk commodities like coal and steel from eastern India. It aims to decongest existing rail lines to allow passenger trains like the Vande Bharat Express to run more efficiently on their own separate tracks. Therefore, claiming that the corridor is designed for high-speed passengers is incorrect.

84. (C) Complete ban on private sector participation in power generation.
The Electricity Act of 2003 was a landmark reform that aimed to increase competition and efficiency in the power sector. It introduced several key changes, including the unbundling of state boards and the establishment of independent regulatory commissions. Contrary to banning private participation, the act actively encouraged private investment in power generation, leading to a significant increase in national capacity.

85. (A) Guaranteeing handwoven authenticity and branding for Indian handlooms.
The Handloom Mark was introduced by the Indian government to serve as a seal of authenticity for handwoven products. It helps consumers distinguish genuine handloom items from those made on powerlooms. By providing a recognizable brand and quality assurance, the scheme protects the interests of traditional weavers and promotes the unique heritage of Indian textiles in both domestic and international markets.

86. (D) 2030
India has committed to an ambitious climate action plan to combat global warming and reduce carbon emissions. At international forums, the government pledged to achieve a target of five hundred gigawatts of installed electricity generation capacity from non-fossil fuel sources by the year 2030. This goal is a central part of the nation's transition toward renewable energy and sustainable growth.

87. (C) A is true but R is false.
The Sagarmala project represents a shift toward port-led development, viewing ports as drivers of broader economic growth rather than isolated facilities. While the project includes components like modernization and connectivity to reduce logistics costs, the reason provided is considered false because it incorrectly links social initiatives, like coastal community development, directly to the primary goal of reducing expenses for cargo transport.

88. (A) P-II, Q-IV, R-I, S-III
India has launched several flagship missions to address diverse infrastructure needs. The AMRUT scheme focuses on urban water supply and sewerage improvements. The UDAN initiative aims to boost regional aviation connectivity. BharatNet provides high-speed optical fibre connectivity to rural Gram Panchayats. Meanwhile, the Bharatmala Pariyojana is dedicated to optimizing national highway corridors to improve the efficiency of road transport nationwide.

89. (D) Disinvestment - Liquidating shares without necessarily losing control.
Disinvestment involves the government liquidating a portion of its shareholding in a public sector enterprise. This process allows the state to raise capital while potentially retaining majority ownership and management control. In contrast, nationalisation involves the government taking over private firms, while privatisation refers to the transfer of majority ownership and management to the private sector. Asset monetisation involves leasing assets.

90. (A) Shared funding between the Centre, States, and the private sector.
The funding for the National Infrastructure Pipeline is designed as a collaborative effort involving various stakeholders. It is based on a shared financing model where the Central Government, State Governments, and the private sector each contribute a specific portion of the total investment required. This diversified approach ensures that the massive capital needs for building infrastructure are met efficiently.

91. (B) It is designed to act strictly as an equity market regulator replacing SEBI for infrastructure companies.
The National Bank for Financing Infrastructure and Development was established as a

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25. (A) III, I, II
The classification of micro, small, and medium enterprises is based on increasing financial thresholds for investment in plant and machinery. Micro enterprises represent the smallest category with the lowest investment limits. Small enterprises follow with higher permitted investment amounts. Medium enterprises constitute the largest category within this sector, having the highest investment and turnover ceilings according to the revised 2020 definitions.

26. (A) CGTMSE - Providing interest-free capital to large scale industries for infrastructure development
The Credit Guarantee Fund Trust for Micro and Small Enterprises is specifically designed to provide collateral-free credit to small-scale units, not large industries. It helps entrepreneurs who lack security to access bank loans. Other programs like PMEGP focus on self-employment, while the ZED scheme promotes quality and sustainability. SFURTI aims to organize traditional artisans into clusters for better market access.

27. (B) The MSME sector employs over 11 crore people, making it the second-largest employer after agriculture.
The MSME sector plays a vital role in India's economy, employing over eleven crore people across various industries. It is the second-largest employer after the agricultural sector, providing livelihoods in both urban and rural areas. While it contributes significantly to the national GDP and nearly half of the country's total exports, it does not account for the majority share of the GDP.

28. (B) They enjoy a structural advantage of having zero compliance burdens compared to large enterprises.
Micro, small, and medium enterprises face significant hurdles, including limited access to formal credit and intense competition from larger corporations or imports. They often struggle to update their technology due to financial constraints. Contrary to the idea of having no compliance burdens, these units must navigate various regulatory requirements, which can be particularly challenging given their limited administrative and financial resources.

29. (A) Providing a 100 percent unconditional guarantee for all MSME loans.
The Credit Guarantee Fund Trust for Micro and Small Enterprises provides collateral-free credit facilities to help smaller units secure financing. It is a joint initiative of the government and the Small Industries Development Bank. While it offers substantial guarantee cover for term loans and working capital, it does not provide a hundred percent unconditional guarantee for all loans; coverage percentages vary.

30. (C) Healthcare facilities and hospitals
Infrastructure is divided into economic and social categories based on their primary impact. Economic infrastructure, such as highways, seaports, and telecommunications, directly supports production and trade activities. In contrast, social infrastructure focuses on human resource development and quality of life. Healthcare facilities and hospitals fall into this category, as they aim to improve the health and well-being of the entire population.

31. (D) Achieving zero defects in production and zero negative environmental impact.
The Zero Defect Zero Effect certification encourages Indian MSMEs to improve their manufacturing processes to match global standards. It focuses on achieving zero defects in the goods produced to ensure high quality and customer satisfaction. Simultaneously, it promotes environmentally sustainable practices to ensure that industrial operations have zero negative impact on the ecosystem, thereby enhancing the global competitiveness of the sector.

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32. (C) Geographical concentration of similar units for common facility access.
The Cluster Development Programme focuses on the geographical concentration of similar MSME units in a specific area. This approach allows smaller businesses to share common facilities, such as testing labs, processing centers, and marketing hubs, which they could not afford individually. By working together in a cluster, these enterprises can achieve economies of scale, improve their productivity, and compete more effectively.

industries and artisans into competitive clusters. By providing support for common facility centers and better marketing, the scheme helps these groups become more productive and sustainable. This initiative is a key part of the government's strategy to revitalize traditional sectors and improve the livelihoods of many artisans.

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during the lean agricultural season.
II. It was heavily focused on drought-prone, desert, tribal, and hill areas initially.
III. It targeted individuals between the ages of 18 and 60.
IV. It provided employment to a maximum of two adults per family.
V. It was later merged into the Sampoorna Grameen Rozgar Yojana (SGRY).

Which of the above statement(s) is/are correct?
(A) I, II, III and V only
(B) I, II, III and IV only
(C) I, II, III, IV and V
(D) II, IV and V only
(E) Answer not known

55. Read the following statements and choose the correct option:
Assertion (A): The Aadhaar Based Payment System (ABPS) was made mandatory for wage payments under MGNREGA.
Reason (R): It completely eliminates the role of the Gram Sabha in social audits.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

56. Match the following rural financing concepts in List I with their primary features in List II:
List I: (Financing Concept)
P. Microcredit
Q. Subsidy
R. Collateral-free loan
S. Financial Inclusion
List II: (Primary Feature)
I. Loan provided without requiring physical assets as security
II. Extending banking and credit services to the unbanked rural poor
III. Small-scale loans provided to individuals with low income
IV. Financial assistance or grant provided by the government to reduce the burden on the borrower
(A) P-III, Q-IV, R-I, S-II
(B) P-IV, Q-III, R-II, S-I
(C) P-III, Q-I, R-IV, S-II
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

57. Identify the incorrectly matched pair regarding livelihood generation schemes and their primary focus areas:
(A) DDU-GKY - Skill training for rural youth
(B) PMEGP - Providing employment to urban corporate professionals
(C) RSETI - Entrepreneurship development through residential training
(D) PM SVANidhi - Re-integrating street vendors into the formal economy
(E) Answer not known

58. Arrange the following stages of the social audit process under MGNREGA in the correct chronological order:
I. Public hearing and discussion in the Gram Sabha
II. Procurement of records (muster rolls, bills) from the Gram Panchayat
III. Follow-up action and recovery of misappropriated funds
IV. Verification of worksites and beneficiaries by the village community
(A) II, IV, I, III
(B) II, I, IV, III
(C) IV, II, I, III
(D) I, II, IV, III
(E) Answer not known

59. Select the correct sequence highlighting the gradual integration of self-help group members into formal banking mechanisms under DAY-NRLM:
(A) Opening group savings account → Regular internal lending → Micro-credit plan preparation → Bank loan linkage
(B) Bank loan linkage → Opening group savings account → Micro-credit plan preparation → Regular internal lending
(C) Regular internal lending → Bank loan linkage → Opening group savings account → Micro-credit plan preparation
(D) Micro-credit plan preparation → Bank loan linkage → Regular internal lending → Opening group savings account
(E) Answer not known

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II. Jawahar Gram Samridhi Yojana
III. National Rural Employment Programme
IV. Mahatma Gandhi National Rural Employment Guarantee Act
(A) III, II, I, IV
(B) II, III, I, IV
(C) III, I, II, IV
(D) I, III, II, IV
(E) Answer not known

7. Which of the following statements is incorrect regarding the Jawahar Gram Samridhi Yojana (JGSY)?
(A) Restructured the Jawahar Rozgar Yojana during its 1999 launch.
(B) Primary objective was the creation of demand-driven rural infrastructure.
(C) Aimed to provide supplementary employment to the unemployed rural poor.
(D) Implementation at the village level bypassed the Gram Panchayats.
(E) Answer not known

8. Which of the following statements correctly describes the concept of "disguised unemployment" prevalent in the rural agricultural sector?
(A) More people are engaged in a job than required, with zero marginal productivity.
(B) Workers forced to migrate to distant urban areas due to a lack of seasonal work.
(C) Educated rural youth remaining idle as they fail to find jobs suited to their skills.
(D) Productive employment generated exclusively during peak sowing and harvesting seasons.
(E) Answer not known

9. Consider the following statements regarding the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):
I. It provides a legal guarantee for 100 days of employment in every financial year to adult members of any rural household.
II. It guarantees skilled manual work to those who demand it.
III. Work must generally be provided within a 5-kilometre radius of the village.
IV. If work is not provided within 15 days of demand, a daily unemployment allowance must be paid.
Which of the above statement(s) is/are correct?
(A) I, III and IV only
(B) I, II and IV only
(C) I and III only
(D) II and IV only
(E) Answer not known

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10. Select the correct sequence of the three loan categories under the Pradhan Mantri MUDRA Yojana in ascending order of their maximum loan limit:
(A) Kishore, Shishu, Tarun
(B) Shishu, Tarun, Kishore
(C) Shishu, Kishore, Tarun
(D) Tarun, Kishore, Shishu
(E) Answer not known

11. Under the rights-based approach of MGNREGA, if a rural worker demands work but the Gram Panchayat fails to allocate it within the stipulated time, the financial burden of the unemployment allowance is borne by which entity?
(A) The respective State Government
(B) The Central Government completely
(C) Shared equally by the Centre and the State
(D) The local Gram Panchayat funds
(E) Answer not known

12. Which of the following is a mandatory feature of social audits conducted under MGNREGA?
(A) They are exclusively conducted by independent external private auditing firms.
(B) They are conducted strictly once every five years at the district level.
(C) The Gram Sabha is the primary forum for conducting and verifying the audit.
(D) The State Chief Minister directly presides over the social audit meetings.
(E) Answer not known

13. How is the "Cluster Level Federation" defined under the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM)?
(A) A state-level body governing all self-help groups in the state.
(B) A direct banking correspondent agency operating from the district headquarters area.
(C) An international funding agency supporting rural women.

(E) Answer not known

40. Arrange the following steps of the SHG Bank Linkage model in their correct logical and sequential order:
I. Credit linkage with banks for larger loans
II. Group formation and regular micro-savings
III. Internal lending among members from the group's corpus
IV. Grading and assessment of the SHG by the bank
(A) II, III, IV, I
(B) II, IV, III, I
(C) I, II, III, IV
(D) III, II, IV, I
(E) Answer not known

41. Consider the following statements regarding the "Van Dhan Vikas Kendras" (VDVKs):
I. They are an initiative of the Ministry of Tribal Affairs and TRIFED.
II. They aim to provide skill upgradation and capacity building for tribal gatherers.
III. They restrict tribal communities from selling their produce in the open market.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I only
(D) III only
(E) Answer not known

42. Select the correct sequence that represents the gradual progression of loan access under the PM SVANidhi scheme for street vendors who ensure timely repayment:
(A) Rs. 50,000 → Rs. 20,000 → Rs. 10,000
(B) Rs. 10,000 → Rs. 20,000 → Rs. 50,000
(C) Rs. 10,000 → Rs. 50,000 → Rs. 1,00,000
(D) Rs. 20,000 → Rs. 40,000 → Rs. 80,000
(E) Answer not known

43. Read the following scenario and answer the question:
A rural household faces severe economic distress due to consecutive monsoon failures. They decide not to migrate to the city and instead utilize a local government provision that offers unskilled manual work for creating water conservation trenches. Which specific policy mechanism are they applying?
(A) MGNREGA's demand-driven employment guarantee
(B) Pradhan Mantri SVANidhi
(C) Stand-Up India scheme
(D) DDU-GKY placement scheme
(E) Answer not known

44. What is the defining feature of the "Blue Revolution 2.0" as conceptualized under the Pradhan Mantri Matsya Sampada Yojana (PMMSY)?
(A) A focus on exclusively subsidising deep-sea mining operations for industrial growth.
(B) Providing free naval vessels to rural coastal communities for long-distance travel.
(C) Sustainable fisheries development to double fishers' incomes and enhance competitiveness.
(D) Restricting inland fisheries to conserve riverine ecosystems without economic use.
(E) Answer not known

45. Read the following statements and choose the correct option:
Assertion (A): The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) represents a paradigm shift from previous wage employment programmes.
Reason (R): MGNREGA provides a legally binding right to work, whereas previous programmes were allocation-based and dependent on state benevolence.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

46. Match the following MGNREGA features in List I with their specific provisions in List II:
List I: (MGNREGA Feature)
P. Distance limit for providing work
Q. Unemployment allowance threshold
R. Proportion of women beneficiaries
S. Statutory guarantee of days
List II: (Provision)
I. Within 15 days of work demand
II. 100 days per household
III. Minimum 33 percent

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(C) International Monetary Fund
(D) New Development Bank
(E) Answer not known

20. Which of the following statements correctly identifies the mandate of the Rural Self Employment Training Institutes (RSETIs)?
(A) Managed by non-governmental organisations to provide free primary education to rural children.
(B) Purely agricultural research centres focusing on high-yielding crop varieties for farmers.
(C) Urban job placement agencies operated by the State Governments for city populations.
(D) Bank-sponsored institutes in each district providing residential skill training for self-employment.
(E) Answer not known

21. Consider the following statements regarding the role of Gram Sabhas in MGNREGA:
I. The Gram Sabha is responsible for recommending the works to be undertaken under the scheme.
II. It monitors the execution of works within the Gram Panchayat.
III. It is legally prohibited from conducting social audits.
Which of the above statement(s) is/are incorrect?
(A) I and II only
(B) I and III only
(C) III only
(D) II only
(E) Answer not known

22. Which of the following is an incorrect statement regarding the Prime Minister's Employment Generation Programme (PMEGP)?
(A) It is a major credit-linked subsidy programme aimed at generating self-employment opportunities.
(B) It was formed by merging the Prime Minister's Rojgar Yojana (PMRY) and the Rural Employment Generation Programme (REGP).
(C) The scheme is strictly restricted to urban areas and does not cover rural populations.
(D) Subsidies provided vary based on whether the project is in a rural or urban area and the social category of the beneficiary.
(E) Answer not known

23. If a rural region experiences massive reverse migration during a crisis (like the COVID-19 pandemic), how does MGNREGA conceptually function as an economic buffer?
(A) By directly providing free food rations to all returning rural migrants.
(B) By granting permanent agricultural land titles to the returning rural migrants.
(C) By providing high-interest loans for starting major industrial units.
(D) Absorbing the sudden influx of unskilled labour while ensuring basic wage security.
(E) Answer not known

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24. Arrange the hierarchical structure of community institutions under the DAY-NRLM from the grassroots level to the higher level:
I. Cluster Level Federation (CLF)
II. Self-Help Group (SHG)
III. Block Level Federation (BLF)
IV. Village Organisation (VO)
(A) II, IV, I, III
(B) II, I, IV, III
(C) IV, II, I, III
(D) II, IV, III, I
(E) Answer not known

25. Select the correct sequence of the evolution of rural employment generation programmes in India leading up to MGNREGA:
(A) NREP → EAS → SGRY → MGNREGA
(B) EAS → NREP → SGRY → MGNREGA
(C) NREP → SGRY → EAS → MGNREGA
(D) SGRY → NREP → EAS → MGNREGA
(E) Answer not known

26. Read the following statements and choose the correct option:
Assertion (A): The implementation of Direct Benefit Transfer (DBT) has significantly reduced wage leakages and delays in MGNREGA.
Reason (R): Aadhaar seeding of job cards ensures that the wages are deposited directly into the authenticated bank accounts of the actual workers.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.

CHAPTER 15

Rural Employment and Livelihood Programmes

1. What was the primary mode of wage payment during the initial phase of the Food for Work Programme introduced in the 1970s?
(A) Distribution of surplus food grains
(B) Direct Benefit Transfer to bank accounts
(C) Provision of agricultural land and implements
(D) Distribution of industrial manufactured goods
(E) Answer not known

2. Match the following pre-MGNREGA employment programmes in List I with their respective years of launch in List II:
List I: (Programme)
P. National Rural Employment Programme
Q. Rural Landless Employment Guarantee Programme
R. Jawahar Rozgar Yojana
S. Employment Assurance Scheme
List II: (Year of Launch)
I. 1989
II. 1993
III. 1980
IV. 1983
(A) P-III, Q-IV, R-I, S-II
(B) P-IV, Q-III, R-II, S-I
(C) P-III, Q-I, R-IV, S-II
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

3. Read the following statements and choose the correct option:
Assertion (A): Seasonal migration is a predominant survival strategy among landless agricultural labourers in India.
Reason (R): The over-reliance on monsoon-dependent agriculture leads to severe seasonal unemployment during the lean agricultural months.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

4. Consider the following statements regarding agricultural employment in India:
I. It remains the dominant rural occupation despite its declining share in the national GDP.
II. There is a visible trend of feminisation in the agricultural labour workforce.
III. Agricultural diversification has completely eliminated the issue of disguised unemployment in rural areas.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I only
(D) III only
(E) Answer not known

5. Identify the correctly matched pair regarding rural livelihood schemes and their primary focus:
(A) PM Matsya Sampada Yojana - Promotion of rural homestays
(B) Deen Dayal Upadhyaya Grameen Kaushalya Yojana - Placement-linked skill development
(C) Van Dhan Vikas Kendras - Skill training for rural youth
(D) PM Vishwakarma - Collateral-free credit for urban street vendors
(E) Answer not known

6. Arrange the following rural employment and poverty alleviation programmes in the chronological order of their launch:
I. Sampoorna Grameen Rozgar Yojana

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Employment Guarantee Act
(D) Pradhan Mantri Fasal Bima Yojana
(E) Answer not known

34. Consider the following statements regarding the implementation of MGNREGA works:
I. Permissible works include water conservation and water harvesting structures.
II. Micro-irrigation works and land development are eligible under the scheme.
III. The use of contractor and labour-displacing machinery is strictly prohibited.
IV. Plantations and afforestation are not permitted as they do not generate immediate wages.
V. Creation of individual assets for vulnerable sections is allowed.
Which of the above statement(s) is/are correct?
(A) I, II, III and V only
(B) I, III, IV and V only
(C) I, II and IV only
(D) II, III and IV only
(E) Answer not known

35. Read the following statements and choose the correct option:
Assertion (A): The share of agriculture in India's total employment has been steadily increasing over the last two decades.
Reason (R): There is a growing diversification of the rural economy with the expansion of the rural non-farm sector.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

36. Match the target livelihood sectors in List I with their corresponding Central Government schemes in List II:
List I: (Target Livelihood Sector)
P. Traditional Artisans and Craftspeople
Q. Street Vendors
R. Fishermen and Aquaculture
S. Tribal Gatherers of Forest Produce
List II: (Central Government Scheme)
I. PM Matsya Sampada Yojana
II. PM Vishwakarma
III. Van Dhan Yojana
IV. PM SVANidhi
(A) P-II, Q-IV, R-I, S-III
(B) P-IV, Q-II, R-I, S-III
(C) P-II, Q-IV, R-III, S-I
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

37. Identify the incorrectly matched pair regarding the funding patterns or financial components of schemes:
(A) MGNREGA Material Component - Shared 75:25 between Centre and State
(B) MUDRA Tarun Loan - Loan limit strictly between Rs. 1 Crore and Rs. 5 Crores
(C) PM SVANidhi - Microcredit facility starting at Rs. 10,000
(D) MGNREGA Wage Component - 100% borne by the Central Government
(E) Answer not known

38. Which of the following is an incorrect statement regarding the participation of women in MGNREGA?
(A) The Act mandates that at least one-third of the beneficiaries must be women.
(B) Men and women are paid equal wages for identical work under the scheme.
(C) In reality, female participation in MGNREGA at the national level has consistently remained below 10 percent.
(D) The scheme provides worksite facilities like crèches if a sufficient number of children are present.
(E) Answer not known

39. Which of the following statements correctly highlights the objective of the "Swadesh Darshan" scheme in the context of rural livelihoods?
(A) To provide free agricultural loans to rural farmers during the lean agricultural season.
(B) To export rural handicraft products exclusively to high-end European luxury markets.
(C) To train rural youth for mandatory military service across the nation.
(D) Developing theme-based tourist circuits to generate rural employment through tourism.

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(D) A federation of Village Organisations representing Self-Help Groups at the block level.
(E) Answer not known

14. An analysis of MGNREGA implementation data reveals a high percentage of women beneficiaries, especially in states like Tamil Nadu. What can be directly inferred from this trend?
(A) Male members of the workforce in these states are entirely unemployed or idle.
(B) The MGNREGA scheme is strictly reserved only for women in the southern states of India.
(C) Offers safe, local livelihood options with wage parity, encouraging female participation.
(D) Traditional agricultural activities have completely ceased in these rural regions.
(E) Answer not known

15. Read the following statements and choose the correct option:
Assertion (A): The Self-Help Group (SHG) bank linkage programme implemented by NABARD acts as a significant tool for poverty alleviation.
Reason (R): The Reserve Bank of India mandates that every SHG must have at least one male member to act as a guarantor for bank loans.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

16. Match the following rural livelihood interventions in List I with their key characteristics in List II:
List I: (Livelihood Intervention)
P. PM SVANidhi
Q. Stand-Up India
R. DDU-GKY
S. PM Vishwakarma
List II: (Key Characteristic)
I. Focuses on credit for SC, ST, and women entrepreneurs
II. Provides working capital loans to street vendors
III. Recognises and supports traditional artisans and craftspeople
IV. Focuses on placement-linked skill training for rural youth
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-IV, R-I, S-III
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

17. Consider the following statements about the Tamil Nadu SHG movement (Mahalir Thittam):
I. It was initially launched in Dharmapuri district in 1989.
II. It promotes saving habits among women and linkages with credit institutions.
III. It facilitates capacity building and skill training for women members.
IV. It is completely funded by the United Nations without state contribution.
V. It has significantly contributed to the socio-economic empowerment of rural women in Tamil Nadu.
Which of the above statement(s) is/are correct?
(A) I, II, III and V only
(B) II, III, IV and V only
(C) I, II and IV only
(D) III, IV and V only
(E) Answer not known

18. Identify the incorrectly matched pair regarding rural schemes and their executing or nodal agencies:
(A) SHG Bank Linkage Programme - NABARD
(B) Prime Minister's Employment Generation Programme (PMEGP) - KVIC (Khadi and Village Industries Commission)
(C) PM Matsya Sampada Yojana - Ministry of Commerce and Industry
(D) MGNREGA - Ministry of Rural Development
(E) Answer not known

19. The Tamil Nadu Rural Transformation Project, commonly associated with poverty reduction and livelihood promotion in the state, is implemented with financial assistance from which international institution?
(A) World Bank
(B) Asian Development Bank

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IV. Within a 5-kilometre radius
(A) P-IV, Q-I, R-III, S-II
(B) P-I, Q-IV, R-II, S-III
(C) P-IV, Q-II, R-III, S-I
(D) P-II, Q-I, R-IV, S-III
(E) Answer not known

47. Identify the correctly matched pair regarding the focus of rural schemes in Tamil Nadu:
(A) Mahalir Thittam - Promotion of heavy industrial manufacturing units in rural areas.
(B) Empowerment of the poorest through community-driven development and local support.
(C) Uzhavar Sandhai - Direct export of cash crops to foreign markets.
(D) AMMA Two Wheeler Scheme - Providing four-wheelers to male agricultural labourers.
(E) Answer not known

48. Consider the following statements regarding the structural criticisms and challenges faced by MGNREGA:
I. Frequent delays in the payment of wages to workers.
II. Issues related to the quality and durability of the assets created.
III. Fund Depletion Reports (FDR) causing stalling of works at the state level.
IV. The scheme exclusively benefits large landowners while excluding landless labourers.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) II, III and IV only
(C) I and III only
(D) I and IV only
(E) Answer not known

49. How is the "wage rate" determined under MGNREGA?
(A) Notified by the Centre state-wise based on the Consumer Price Index (CPI-AL).
(B) It is uniformly fixed at exactly Rs. 500 per day across all states and territories.
(C) It is entirely determined by the local Sarpanch on a daily basis.
(D) It fluctuates dynamically based on the daily stock market index.
(E) Answer not known

50. The National Rural Livelihoods Mission (NRLM) was renamed as DAY-NRLM. What does 'DAY' stand for?
(A) Direct Assistance Yojana
(B) Development of Artisans Yojana
(C) Deendayal Antyodaya Yojana
(D) Digital Advancement Yojana
(E) Answer not known

51. Read the following scenario and answer the question:
If a coastal village in Tamil Nadu sees a sudden rise in the formation of modern fish farmer producer organisations, access to cold chain infrastructure, and insurance coverage for fisherfolk, which specific livelihood programme is most likely driving this transformation?
(A) Pradhan Mantri Matsya Sampada Yojana
(B) MUDRA Yojana
(C) Jawahar Rozgar Yojana
(D) Swadesh Darshan
(E) Answer not known

52. Which of the following is an incorrect statement concerning the PM Vishwakarma scheme?
(A) It provides a PM Vishwakarma Certificate and ID card for traditional artisans.
(B) It offers collateral-free credit support in tranches.
(C) It provides a toolkit incentive of up to Rs. 15,000.
(D) It is exclusively targeted at promoting software engineers in rural IT hubs.
(E) Answer not known

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53. Which of the following correctly identifies a major demographic shift in rural employment in India over the recent decades?
(A) A massive increase in the absolute number of cultivators due to land reforms.
(B) Transition of the workforce from agriculture to construction, trade, and services.
(C) The complete eradication of landless agricultural labourers.
(D) A uniform return of educated youth from urban centers to traditional manual farming.
(E) Answer not known

54. Consider the following statements regarding the Employment Assurance Scheme (EAS) of 1993:
I. It aimed to provide assured employment

(E) Answer not known

27. Match the following rural employment concepts in List I with their appropriate descriptions in List II:
List I: (Rural Employment Concept)
P. Muster Roll
Q. Social Audit
R. Direct Benefit Transfer
S. Ombudsman
List II: (Description)
I. Independent authority to address grievances in scheme implementation
II. Mechanism to prevent ghost beneficiaries and ensure direct wage payment
III. Primary attendance and wage payment record at the worksite
IV. Community-led verification of scheme implementation and expenditure
(A) P-III, Q-IV, R-II, S-I
(B) P-IV, Q-III, R-I, S-II
(C) P-III, Q-II, R-IV, S-I
(D) P-II, Q-IV, R-III, S-I
(E) Answer not known

28. Identify the correctly matched pair regarding the categories of MUDRA loans and their maximum loan limits:
(A) Shishu - Upto Rs. 50,000
(B) Kishore - Rs. 50,001 to Rs. 10 Lakhs
(C) Tarun - Upto Rs. 5 Lakhs
(D) Shishu - Rs. 50,001 to Rs. 5 Lakhs
(E) Answer not known

29. Consider the following statements about the Forest Rights Act (FRA) and forest-based livelihoods:
I. It recognises the rights of forest-dwelling tribal communities to collect and sell Minor Forest Produce (MFP).
II. It aims to undo historical injustices faced by forest-dwelling communities.
III. It strictly prohibits any form of livelihood generation within forest boundaries.
IV. It supports the establishment of Van Dhan Vikas Kendras for value addition to NTFPs.
Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) I, III and IV only
(C) I and II only
(D) II and III only
(E) Answer not known

30. Which of the following is a key feature of the Stand-Up India scheme?
(A) Provides collateral-free loans exclusively to rural male farmers for crop production.
(B) It focuses entirely on direct cash transfers for the purchase of agricultural inputs.
(C) Facilitates bank loans of Rs. 10 lakh to 1 crore for SC/ST and women borrowers.
(D) Provides a 100% subsidy for setting up large scale IT industries in urban areas.
(E) Answer not known

31. What is the definition of "Non-Timber Forest Produce" (NTFP) in the context of tribal livelihoods?
(A) Large scale commercial timber harvested from dense forests for global furniture making.
(B) Biological products other than timber derived from forests, like bamboo, honey, and resins.
(C) Synthetic materials manufactured by tribal cooperatives.
(D) Agricultural crops grown on deforested land.
(E) Answer not known

32. During the evaluation of rural livelihood programmes, it is noted that despite high enrollment in skill training schemes, placement retention rates remain low. What is the most logical inference from this observation?
(A) The provided skill training is entirely irrelevant to any modern industrial sector.
(B) Rural youth inherently lack the cognitive ability or interest to learn new skills.
(C) The government does not provide any official certificates upon training completion.
(D) Mismatch between provided skills, support, and the actual working conditions or wages.
(E) Answer not known

33. The Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) is a part of which larger national mission?
(A) National Rural Livelihoods Mission (DAY-NRLM)
(B) National Rural Health Mission
(C) Mahatma Gandhi National Rural

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60. Read the following scenario and answer the question:
A district collector observes that local tribal communities are selling raw tamarind and honey to middlemen at highly exploitative prices. To empower them to process, package, and brand these goods for higher returns, which specific scheme should the collector implement?
(A) Stand-Up India
(B) PM SVANidhi
(C) Van Dhan Vikas Karyakram
(D) DDU-GKY
(E) Answer not known

61. Which of the following is a distinguishing feature of the Sampoorna Grameen Rozgar Yojana (SGRY) launched in 2001?
(A) It provided unemployment allowances if the work was not provided within 15 days.
(B) Wages were paid entirely in the form of food grains to address severe malnutrition.
(C) It was exclusively designed to provide government jobs to rural youth.
(D) Formed by merging the Employment Assurance Scheme and the Jawahar Gram Samridhi Yojana.
(E) Answer not known

62. Consider the following statements regarding the role of Non-Governmental Organisations (NGOs) in the Tamil Nadu SHG movement:
I. Early phases of Mahalir Thittam heavily relied on NGOs for the formation and capacity building of SHGs.
II. NGOs served as an interface between the rural women and formal banking institutions.
III. The government eventually banned all NGOs from participating in rural livelihood programmes in the state.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I only
(D) III only
(E) Answer not known

63. What does "Aadhaar Seeding" mean in the context of rural livelihood programmes like MGNREGA?
(A) Distributing high-yielding variety agricultural seeds that are verified by the UIDAI.
(B) Linking the Aadhaar number with job cards and bank accounts for authenticated transfers.
(C) Verifying the land records of the farmers using satellite imagery.
(D) Mandating Aadhaar cards for acquiring agricultural machinery.
(E) Answer not known

64. What is the maximum number of days of guaranteed wage employment provided to a rural household under MGNREGA in a normal financial year?
(A) 50 days
(B) 100 days
(C) 150 days
(D) 200 days
(E) Answer not known

65. Read the following statements and choose the correct option:
Assertion (A): The promotion of rural tourism through homestays is considered a sustainable livelihood alternative in regions like the Nilgiris and Kodaikanal.
Reason (R): It generates supplementary income for local communities without causing the massive ecological degradation associated with large-scale industrialization.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

66. Match the following institutional structures with their respective functions under MGNREGA in List I and List II:
List I: (Institutional Structure)
P. Gram Sabha
Q. Gram Panchayat
R. Programme Officer
S. Ombudsman
List II: (Function)
I. Responsible for the execution of works and maintenance of records
II. Recommends works and conducts social

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audits
III. Independent authority for grievance redressal
IV. Scrutinizes the village plan at the block level
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-IV, R-I, S-III
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

67. Identify the correctly matched pair regarding the scale of enterprises under the MSME classification (Post-2020 revision) which impacts schemes like MUDRA:
(A) Micro - Investment up to Rs. 1 crore and Annual Turnover up to Rs. 5 crore.
(B) Small - Investment up to Rs. 100 crore with a turnover of exactly Rs. 500 crore.
(C) Medium Enterprise - Investment up to Rs. 10 lakh.
(D) Micro Enterprise - Annual turnover up to Rs. 250 crore.
(E) Answer not known

68. Which of the following is an incorrect statement regarding the financing structure of DAY-NRLM?
(A) It is classified as a Centrally Sponsored Scheme with shared funding.
(B) The funding is shared strictly between the Central and the State Governments.
(C) It receives significant financial investment support from the World Bank group.
(D) Operates purely on voluntary donations from corporate social responsibility funds.
(E) Answer not known

69. Which of the following statements correctly defines the objective of the Rural Landless Employment Guarantee Programme (RLEGP) of 1983?
(A) To provide permanent land titles to all landless agricultural labourers in India.
(B) Expanding employment for landless households, aiming for 100 days of work per year.
(C) To strictly regulate the migration of landless labourers to urban metropolitan cities.
(D) To provide free agricultural inputs like tractors to landless peasants.
(E) Answer not known

70. Consider the following statements about the Prime Minister's Employment Generation Programme (PMEGP):
I. It is administered by the Ministry of Micro, Small and Medium Enterprises (MSME).
II. The Khadi and Village Industries Commission (KVIC) is the nodal agency at the national level.
III. It provides higher subsidy rates for applicants belonging to SC/ST categories and women compared to the general category.
IV. It is completely restricted to the manufacturing sector, excluding the service sector.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) II, III and IV only
(C) I and III only
(D) I, II and IV only
(E) Answer not known

71. Read the following scenario and answer the question:
An evaluation report of a rural district shows a significant increase in local watershed development, groundwater recharge, and an expansion of cultivable land over five years without major industrial projects. Which livelihood programme's asset creation component is most likely responsible for this?
(A) Stand-Up India
(B) PMEGP
(C) PM SVANidhi
(D) MGNREGA
(E) Answer not known

72. By promoting 'Aajeevika' (NRLM), the government primarily shifts its rural poverty alleviation strategy from:
(A) From individual subsidies to institution-building and community-driven enhancement.
(B) From direct cash transfers to large-scale urban industrial manufacturing projects.
(C) Urban migration support to international labour export.
(D) Agricultural reliance to complete urbanization of villages.
(E) Answer not known

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73. Arrange the following livelihood components of the PM Matsya Sampada Yojana from primary production to final market in sequential order:
I. Post-harvest cold chain and storage infrastructure
II. Brood banks and quality seed rearing
III. Domestic marketing and export promotion
IV. Fish farming and pond management
(A) II, IV, I, III
(B) IV, II, I, III
(C) II, I, IV, III
(D) I, II, IV, III
(E) Answer not known

74. Select the correct sequence of administrative tiers involved in the planning and approval of the MGNREGA labour budget:
(A) Gram Panchayat → Block Panchayat → District Panchayat → State Government → Central Government
(B) Central Government → State Government → District Panchayat → Block Panchayat → Gram Panchayat
(C) Gram Panchayat → State Government → Central Government → District Panchayat → Block Panchayat
(D) District Panchayat → Gram Panchayat → Block Panchayat → State Government → Central Government
(E) Answer not known

75. Read the following statements and choose the correct option:
Assertion (A): The implementation of the minimum wage under MGNREGA often forces private agricultural landowners to increase the wages they offer to labourers.
Reason (R): MGNREGA act strictly dictates the private market wage rates that landlords must pay.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

76. Match the following features in List I with the correct iteration of rural livelihood schemes in List II:
List I: (Scheme Feature)
P. Merged NREP and RLEGP
Q. Replaced REGP and PMRY
R. Formed by renaming NRLM
S. Restructured JRY for rural infrastructure
List II: (Scheme Iteration)
I. Jawahar Gram Samridhi Yojana
II. Jawahar Rozgar Yojana
III. PMEGP
IV. DAY-NRLM
(A) P-II, Q-III, R-IV, S-I
(B) P-I, Q-IV, R-II, S-III
(C) P-II, Q-I, R-IV, S-III
(D) P-III, Q-II, R-I, S-IV
(E) Answer not known

77. Identify the incorrectly matched pair regarding the financial inclusion initiatives and their beneficiaries:
(A) Stand-Up India - SC/ST and Women Entrepreneurs
(B) PM SVANidhi - Urban and peri-urban street vendors
(C) SHG Bank Linkage - Rural women collectives
(D) MUDRA - Large corporate conglomerates
(E) Answer not known

78. Consider the following statements about the Stand-Up India scheme:
I. It facilitates bank loans between Rs. 10 lakh and Rs. 100 lakh.
II. Loans are provided exclusively for setting up Greenfield enterprises.
III. The enterprise may be in manufacturing, services, or the trading sector.
IV. In case of non-individual enterprises, at least 51% of the shareholding must be held by an SC/ST or woman entrepreneur.
V. It provides direct employment in government departments for the beneficiaries.
Which of the above statement(s) is/are correct?
(A) I, II, III and IV only
(B) II, III, IV and V only
(C) I, III and V only
(D) I, II and V only
(E) Answer not known

79. Read the following scenario and answer the question:
A prominent feature of the Tamil Nadu Pudhu

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ANSWERS

1. (A) Distribution of surplus food grains
The Food for Work Programme was launched in 1977. Its primary goal was to generate additional employment in rural areas by utilizing surplus food grains available with the government. Workers were paid part or all of their wages in food grains, which simultaneously addressed hunger and reduced the fiscal burden of buffer stock maintenance across the country.

2. (A) P-III, Q-IV, R-I, S-II
Rural employment schemes in India evolved through several iterations. The National Rural Employment Programme began in 1980, followed by the Rural Landless Employment Guarantee Programme in 1983. Later, the Jawahar Rozgar Yojana was initiated in 1989 by merging earlier schemes. The Employment Assurance Scheme was introduced in 1993 to provide assured manual work during lean agricultural seasons.

3. (A) Both A and R are true and R is the correct explanation of A.
Large sections of rural India depend heavily on rain-fed agriculture. When the monsoon ends or fails, agricultural activities cease, leading to significant seasonal unemployment for landless labourers. Consequently, these workers often migrate to urban areas or other regions as a survival strategy to earn income during months when local farm work is naturally unavailable due to weather.

4. (A) I and II only
Agriculture remains the largest employer in rural India even as its contribution to the Gross Domestic Product declines. Data indicates a trend of feminisation, as men increasingly move to non-farm sectors while women stay in agricultural roles. However, diversification has not completely eliminated disguised unemployment, which remains a persistent structural issue in the countryside regardless of sectoral growth.

5. (B) Deen Dayal Upadhyaya Grameen Kaushalya Yojana - Placement-linked skill development
The Deen Dayal Upadhyaya Grameen Kaushalya Yojana is specifically designed to transform rural poor youth into an economically independent and globally relevant workforce. It focuses on placement-linked skill training for those aged fifteen to thirty-five. This initiative ensures that candidates receive training in sectors with high demand, leading to the acquisition of sustainable jobs and regular monthly wages.

6. (A) III, II, I, IV
The National Rural Employment Programme started in 1980. The Jawahar Gram Samridhi Yojana followed in 1999 as a restructured version of an earlier scheme. In 2001, the Sampoorna Grameen Rozgar Yojana was launched by merging multiple initiatives. Finally, the Mahatma Gandhi National Rural Employment Guarantee Act was enacted in 2005, providing a legal guarantee for manual wage work.

7. (D) Implementation at the village level bypassed the Gram Panchayats.
Launched in 1999, the Jawahar Gram Samridhi Yojana aimed to create demand-driven rural infrastructure and provide supplementary employment. Crucially, the scheme placed the Gram Panchayat at the center of implementation. Far from bypassing them, the programme empowered these local bodies to decide on and manage projects, ensuring that development reflected the specific needs and priorities of the village.

8. (A) More people are engaged in a job than required, with zero marginal productivity.
Disguised unemployment occurs when the number of people working on a farm exceeds the actual labor requirement. If some workers are removed, the total output remains unchanged. This implies that the marginal productivity of the extra workers is zero. It is a common phenomenon in the Indian agricultural sector due to a lack of diverse employment opportunities elsewhere.

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86. Match the following rural employment terminology in List I with its respective meaning in List II:

List I: (Rural Employment Terminology)

P. Disguised Unemployment
Q. Seasonal Unemployment
R. Underemployment
S. Structural Unemployment

List II: (Meaning)

I. Working fewer hours or at a lower skill level than capable of
II. Joblessness arising from a mismatch between skills and available jobs
III. Marginal productivity of the worker is zero
IV. Lack of work during specific months of the year

(A) P-III, Q-IV, R-I, S-II
(B) P-IV, Q-III, R-II, S-I
(C) P-II, Q-I, R-IV, S-III
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

87. Identify the correctly matched pair regarding Tamil Nadu's administrative machinery for rural development:

(A) State Institute of Rural Development (SIRD) - Managing urban smart city projects.
(B) Tamil Nadu Water Supply and Drainage Board - Implementing PM SVANidhi nationwide.
(C) Tamil Nadu Civil Supplies Corporation - Executing MGNREGA works across the state.
(D) TNCDW - Implementation of Mahalir Thittam and DAY-NRLM schemes.
(E) Answer not known

88. A significant shift in rural livelihoods is the transition towards the "Non-Farm Sector." Which of the following activities falls under the rural non-farm sector?

(A) Establishing a small-scale agro-processing unit (like a flour mill) in the village.
(B) Cultivating hybrid paddy during the Kharif season.
(C) Rearing indigenous breeds of cattle for dairy farming.
(D) Applying chemical fertilizers to increase crop yield.
(E) Answer not known

89. Which of the following is a key feature of the "Swarna Jayanti Gram Swarozgar Yojana" (SGSY) which later evolved into NRLM?

(A) It focused on individual subsidy handouts without any group formation mechanisms.
(B) Establishing micro-enterprises in rural areas through the Self-Help Group approach.
(C) It was entirely a wage-employment programme identical to NREP.
(D) It provided a 100-day wage guarantee similar to MGNREGA.
(E) Answer not known

90. Consider the following statements regarding the wage material ratio in MGNREGA:

I. The statutory wage to material ratio must be maintained at 60:40 at the Gram Panchayat level.
II. This ratio ensures that the scheme remains primarily a wage-employment generation programme rather than just an infrastructure project.
III. Highly capital-intensive machineries are allowed to exceed this ratio if the project is large.
IV. State governments have the absolute power to change this ratio to 10:90 for rapid development.

Which of the above statement(s) is/are incorrect?

(A) III and IV only
(B) I and II only
(C) I, II and III only
(D) II and IV only
(E) Answer not known

91. The gradual shift of the rural workforce in Tamil Nadu from agriculture to sectors like construction, textiles, and petty trade indicates which of the following socio-economic phenomena?

(A) Livelihood diversification due to agrarian distress and non-farm opportunities.
(B) Total abandonment of rural villages and the complete collapse of agriculture.
(C) A complete failure of all government schemes forcing massive illegal migration.
(D) The effects of urban populations forcibly acquiring all rural lands.
(E) Answer not known

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Vaazhvu Project was its unique targeting mechanism. How did the project identify its core beneficiaries (the poorest of the poor)?

(A) Solely relying on the Below Poverty Line lists provided by the Central Government.
(B) Using Participatory Rural Appraisal and wealth ranking by the village community.
(C) Selecting beneficiaries based on their caste certificates randomly.
(D) Conducting online competitive examinations in rural areas.
(E) Answer not known

80. What is the fundamental mandate of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005?

(A) To provide free monthly rations to rural households.
(B) To guarantee a government job to at least one educated youth per rural household.
(C) To provide an unconditional cash transfer of Rs. 6000 annually to every farmer.
(D) 100 days of unskilled manual wage employment in a year to every rural household.
(E) Answer not known

81. How is the "Lean Agricultural Season" defined in the context of rural livelihood planning?

(A) The period between agricultural operations when the demand for labour is minimal.
(B) The period when crop harvesting yields maximum output.
(C) The season when farmers receive the highest prices for their produce in the market.
(D) The period explicitly dedicated to village festivals prohibiting any agricultural work.
(E) Answer not known

82. Consider the following statements regarding the role of Gram Panchayats in MGNREGA:

I. Gram Panchayats are mandated to execute at least 50% of the works in terms of cost.
II. Gram Panchayats are responsible for registering households and issuing job cards.
III. Gram Panchayats possess the absolute authority to deny work to any individual without stating reasons.

Which of the above statement(s) is/are correct?

(A) I and II only
(B) I and III only
(C) II only
(D) III only
(E) Answer not known

83. Which of the following is an incorrect statement regarding the DDU-GKY (Deen Dayal Upadhyaya Grameen Kaushalya Yojana)?

(A) The scheme guarantees lifetime employment within public sector undertakings (PSUs) for all its trainees.
(B) It uniquely focuses on rural youth between the ages of 15 and 35 years from poor families.
(C) It mandates that a minimum percentage of the trained candidates must be placed in jobs with regular wages.
(D) It provides post-placement support to candidates to help them transition into formal jobs.
(E) Answer not known

84. Which of the following correctly highlights a major objective of the SHG-Bank Linkage Programme initiated by NABARD?

(A) To completely eliminate the need for rural savings.
(B) To privatize rural cooperative banks and sell them to foreign entities.
(C) To provide loans strictly for speculative trading in urban and global stock markets.
(D) Access to formal banking for the unbanked poor, reducing reliance on moneylenders.
(E) Answer not known

85. Read the following statements and choose the correct option:

Assertion (A): The MGNREGA stipulates the payment of an unemployment allowance if work is not provided within 15 days of demand.
Reason (R): The unemployment allowance serves as an accountability mechanism, penalizing the state for failing to fulfill its legal obligation to provide work.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

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(PMAY-G) benefits from MGNREGA labour convergence.

IV. MGNREGA completely forbids any convergence with other central or state government schemes.

V. Convergence aims to enhance the quality of assets created and optimize resource utilization.

Which of the above statement(s) is/are correct?

(A) I, II, III and V only
(B) I, II, III and IV only
(C) I, III, IV and V only
(D) II, III, IV and V only
(E) Answer not known

99. The concept of "Revolving Fund" in the context of the National Rural Livelihoods Mission (NRLM) refers to:

(A) A fund provided to SHGs to build capacity, credit history, and internal lending.
(B) A grant given by the World Bank directly to individual village headmen.
(C) A continuous taxation system imposed on rural artisans.
(D) The mechanism of recovering bad debts from defaulting rural business enterprises.
(E) Answer not known

100. Which of the following is an essential feature of the PM Vishwakarma Scheme introduced for traditional artisans?

(A) It mandates artisans to completely abandon their traditional tools and shift to automated robotics.
(B) It provides permanent jobs for artisans in large-scale multi-national corporations.
(C) It restricts artisans from selling their products outside their native village.
(D) Adopts a Guru-Shishya approach, offering recognition, skills, and market linkage.
(E) Answer not known

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92. Read the following statements and choose the correct option:
Assertion (A): Women empowerment is considered a major secondary outcome of the Mahalir Thittam in Tamil Nadu.
Reason (R): SHGs under the scheme not only promote financial independence but also enhance women's decision-making power within households and local governance.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

93. Match the MUDRA scheme loan categories in List I with their intended entrepreneurial stage in List II:
List I: (MUDRA Loan Category)
P. Shishu
Q. Kishore
R. Tarun
S. Stand-Up India (Parallel scheme)
List II: (Entrepreneurial Stage)
I. Establishing new large-scale greenfield enterprises (Rs. 10 Lakh - 1 Crore)
II. Supporting start-ups or entrepreneurs at the very initial stage of their business
III. Funding for businesses that require further expansion and higher funds
IV. Assistance for entrepreneurs who have started but need funds to establish themselves
(A) P-II, Q-IV, R-III, S-I
(B) P-I, Q-II, R-III, S-IV
(C) P-III, Q-I, R-IV, S-II
(D) P-II, Q-III, R-IV, S-I
(E) Answer not known

94. Identify the incorrectly matched pair regarding the permissible works under MGNREGA:
(A) Category A - Natural Resource Management (e.g., Water conservation)
(B) Category B - Individual assets for vulnerable sections (e.g., Poultry shelters)
(C) Category D - Construction of multi-story luxury shopping malls in urban areas
(D) Category C - Common infrastructure for NRLM compliant SHGs
(E) Answer not known

95. What was the central objective of the "Jawahar Rozgar Yojana" (JRY) launched in 1989?
(A) To provide free higher education to rural youth.
(B) Merging NREP and RLEGP to create employment for the unemployed in rural areas.
(C) To strictly eliminate the rural non-farm sector across all states.
(D) To distribute agricultural land equally among all villagers and tribal households.
(E) Answer not known

96. Which of the following is an incorrect statement regarding the financial inclusion aspect of SHGs?
(A) SHGs pool savings from members to create a common fund.
(B) Timely repayment of internal loans helps the SHG build a good credit history.
(C) Based on the SHG's performance, banks provide collateral-free loans to the group.
(D) Internal lending within the group is strictly prohibited by RBI guidelines.
(E) Answer not known

97. Which of the following correctly describes a major challenge currently facing the MGNREGA implementation?
(A) Persistent issues of delayed wage payments despite the 15-day mandate.
(B) It offers wages that are significantly higher than urban corporate sector salaries.
(C) There is an absolute lack of demand for work from rural populations.
(D) The scheme is legally restricted only to northern states.
(E) Answer not known

98. Consider the following statements regarding the convergence of MGNREGA with other schemes:
I. MGNREGA funds can be used for the construction of Anganwadi Centres under the ICDS scheme.
II. Individual household latrines (IHHL) under the Swachh Bharat Mission can be constructed using MGNREGA convergence.
III. Construction of rural housing under the Pradhan Mantri Awaas Yojana - Gramin

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9. (A) I, III and IV only
The Mahatma Gandhi National Rural Employment Guarantee Act provides a legal right to one hundred days of unskilled manual work annually. Employment must be provided within five kilometers of the applicant's residence. If the state fails to provide work within fifteen days of the demand, it is legally obligated to pay a daily unemployment allowance to the household.

10. (C) Shishu, Kishore, Tarun
The Pradhan Mantri MUDRA Yojana categorizes loans based on the stage of growth and funding needs of the micro-unit. Shishu covers loans up to fifty thousand rupees for startups. Kishore includes loans from fifty thousand to five lakh rupees for established units. Tarun provides funding from five lakh up to ten lakh rupees specifically for further business expansion.

11. (A) The respective State Government
Under the MGNREGA framework, the central government funds the entirety of the wage component for provided work. However, the legal obligation to actually provide that work rests with the state administration. Therefore, if a worker demands work and the state fails to allocate it within fifteen days, the state government must pay the unemployment allowance from its budget.

12. (C) The Gram Sabha is the primary forum for conducting and verifying the audit.
Social audits are a critical transparency mechanism in the implementation of MGNREGA. These audits involve the continuous monitoring and verification of project records by the local community. The Gram Sabha serves as the central platform where audit findings are presented, discussed, and validated, ensuring that the village residents can hold local officials accountable for expenditures and project quality.

13. (D) A federation of Village Organisations representing Self-Help Groups at the block level.
Under the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission, a multi-tiered institutional structure supports women. Individual members form Self-Help Groups, which then federate into Village Organisations at the primary level. These Village Organisations further federate into Cluster Level Federations at the sub-block or block level, providing a stronger, collective platform for financial services and social empowerment within districts.

14. (C) Offers safe, local livelihood options with wage parity, encouraging female participation.
High participation of women in MGNREGA highlights its role in providing accessible work within or near the village. The Act mandates equal wages for men and women, which is often not the case in the private agricultural labor market. Additionally, the provision of worksite facilities and the focus on unskilled manual labor make it a highly attractive option.

15. (C) A is true but R is false.
The SHG-bank linkage programme, led by NABARD, is a vital tool for poverty reduction as it provides formal credit to the poor. However, there is no mandate requiring a male member to act as a guarantor. Most self-help groups are composed exclusively of women, and the model relies on group peer pressure and collective responsibility for loan repayment.

16. (A) P-II, Q-I, R-IV, S-III
Different schemes target specific rural and urban populations. PM SVANidhi provides working capital to street vendors. Stand-Up India facilitates credit for historically marginalized groups and women entrepreneurs. The DDU-GKY focuses on placement-linked skills for rural youth. PM Vishwakarma supports traditional artisans and craftspeople by providing them with training, recognition, and credit to sustain and grow their livelihoods.

17. (A) I, II, III and V only
The Mahalir Thittam project was pioneered in Dharmapuri in 1989 and expanded across Tamil Nadu. It focuses on empowering women by encouraging savings, facilitating credit through banks, and providing vocational training. While international agencies have supported various projects, it is not entirely funded by the United Nations, as the state government provides significant financial and administrative support throughout.

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18. (C) PM Matsya Sampada Yojana - Ministry of Fisheries, Animal Husbandry and Dairying.
The Pradhan Mantri Matsya Sampada Yojana is a flagship scheme aimed at the sustainable development of the fisheries sector. It is administered by the Ministry of Fisheries, Animal Husbandry, and Dairying, rather than the Ministry of Commerce and Industry. Other matches, like NABARD for SHG linkage and KVIC for PMEGP, correctly identify the relevant nodal organizations for rural development.

19. (A) World Bank
The Tamil Nadu Rural Transformation Project is a collaborative initiative between the state government and the World Bank. It aims to promote rural enterprises, enhance market linkages, and create employment opportunities in various districts. By providing financial and technical assistance, the project helps rural communities transition from subsistence activities to competitive, market-oriented business ventures across the state territory.

20. (D) Bank-sponsored institutes in each district providing residential skill training for self-employment.
Rural Self Employment Training Institutes are unique institutions established in each district to mitigate rural unemployment. They are managed by banks with active support from the government. These institutes provide short-term, intensive residential training programs for rural youth, followed by long-term handholding support to help them establish and sustain their own micro-enterprises or self-employment ventures within their local communities.

21. (C) III only
The Gram Sabha plays a foundational role in the decentralized planning of MGNREGA. It is responsible for identifying and recommending the shelf of projects to be undertaken. It also monitors execution to ensure quality. Legally, the Gram Sabha is mandated to conduct social audits, making the statement that it is prohibited from doing so entirely incorrect and legally inaccurate.

22. (C) The scheme is strictly restricted to urban areas and does not cover rural populations.
The Prime Minister's Employment Generation Programme is a credit-linked subsidy scheme that operates in both rural and urban areas. It was created by merging the Prime Minister's Rojgar Yojana and the Rural Employment Generation Programme. The scheme provides higher levels of subsidies for projects established in rural regions to encourage local entrepreneurship and reduce the migration of workers.

23. (D) Absorbing the sudden influx of unskilled labour while ensuring basic wage security.
During economic shocks like the COVID-19 pandemic, many migrants return to their villages after losing urban jobs. MGNREGA acts as a safety net by providing immediate, demand-driven unskilled work. This prevents absolute poverty among returning households by ensuring they have access to a basic wage, thereby stabilizing the rural economy during periods of extreme and sudden economic distress.

24. (A) II, IV, I, III
The institutional framework of the National Rural Livelihoods Mission begins at the grassroots with Self-Help Groups composed of ten to twenty women. These groups federate at the village level to form Village Organisations. These organisations then combine to form Cluster Level Federations, which are finally supported by Block Level Federations to ensure wide-scale financial sustainability and social development.

25. (A) NREP → EAS → SGRY → MGNREGA
India's wage employment strategies progressed from the National Rural Employment Programme in 1980 to the Employment Assurance Scheme in 1993. These were later merged into the Sampoorna Grameen Rozgar Yojana in 2001. The culmination of this evolution was the 2005 MGNREGA, which shifted the approach from a scheme-based allocation to a legally enforceable, demand-driven right to work.

26. (A) Both A and R are true and R is the correct explanation of A.
Direct Benefit Transfer has revolutionized wage payments in MGNREGA by sending funds directly to workers' accounts. By seeding job cards with Aadhaar numbers, the system ensures that payments are made to the correct, authenticated individuals. This reduces middleman intervention, minimizes administrative delays, and prevents the creation of ghost beneficiaries,

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thereby significantly improving the scheme's overall transparency and accountability.

27. (A) P-III, Q-IV, R-II, S-I
Proper documentation and oversight are essential for rural schemes. The Muster Roll is the fundamental record of attendance and wages at a worksite. Social Audits involve community-led verification of spending. Direct Benefit Transfer ensures wages reach the right bank accounts without leakages. The Ombudsman acts as an independent authority to resolve grievances and investigate complaints of corruption or delay.

28. (A) Shishu - Upto Rs. 50,000
The MUDRA scheme provides tiered financial support to micro-enterprises. The Shishu category is designed for those in the initial stages of business, offering loans up to fifty thousand rupees. Kishore loans range from fifty thousand up to five lakh rupees, while the Tarun category supports larger expansion needs with loans between five and ten lakh rupees respectively.

29. (A) I, II and IV only
The Forest Rights Act of 2006 seeks to correct historical injustices by recognizing the rights of tribal and forest-dwelling communities over their ancestral lands. It specifically empowers them to collect, use, and dispose of minor forest produce. Programs like Van Dhan Vikas Kendras build on this by providing infrastructure for value addition, which helps improve local livelihoods significantly.

30. (C) Facilitates bank loans of Rs. 10 lakh to 1 crore for SC/ST and women borrowers.
Stand-Up India is a targeted initiative aimed at promoting entrepreneurship among scheduled castes, scheduled tribes, and women. It requires every bank branch to provide loans between ten lakh and one crore rupees to at least one SC or ST borrower and one woman borrower for setting up new greenfield enterprises in manufacturing, services, or the trading sector nationwide.

31. (B) Biological products other than timber derived from forests, like bamboo, honey, and resins.
Non-Timber Forest Produce includes all biological materials gathered from forests excluding industrial timber. Common examples are medicinal plants, fruits, seeds, wild honey, bamboo, and various resins. These products are crucial for the livelihoods of forest-dwelling tribal communities, providing both a source of nutrition and a primary means of generating income through the collection and sale of these forest resources.

32. (D) Mismatch between provided skills, support, and the actual working conditions or wages.
When rural youth complete skill training but do not stay in their assigned jobs, it often indicates a structural mismatch. The skills taught might not align with market needs, or the resulting jobs may offer poor wages and difficult working conditions. Lack of post-placement support, such as housing in urban areas, also contributes to candidates returning to their villages.

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33. (A) National Rural Livelihoods Mission (DAY-NRLM)
The Deen Dayal Upadhyaya Grameen Kaushalya Yojana is the placement-linked skill training component of the National Rural Livelihoods Mission. It specifically targets rural youth from poor households to bridge the gap between their current skill levels and the requirements of the formal labor market, thereby ensuring sustainable livelihood opportunities and reducing poverty through stable wage employment.

34. (A) I, II, III and V only
MGNREGA prioritizes activities related to natural resource management, such as water harvesting, drought proofing, and land development. It also allows for the creation of assets on the land of vulnerable households. However, the scheme strictly prohibits the use of contractors and machinery that would displace manual labor. Afforestation is encouraged as it creates sustainable ecological assets and rural jobs.

35. (D) A is false but R is true.
The share of agriculture in total employment has been gradually declining as the economy modernizes. However, the rural economy is indeed diversifying as the non-farm sector, including construction and services, expands. While fewer people are solely dependent on traditional farming, more rural residents are finding work in diverse activities, reflecting a clear shift away from purely agrarian employment patterns.

various service-oriented businesses, indicating significant economic diversification.

54. (C) I, II, III, IV and V
The Employment Assurance Scheme was launched in 1993 to provide assured manual work during lean agricultural seasons, particularly in disadvantaged regions like drought-prone or tribal areas. It targeted up to two adults per family between eighteen and sixty years old. The scheme was eventually merged into the Sampoorna Grameen Rozgar Yojana as India moved toward more integrated and broad employment programs.

55. (C) A is true but R is false.
The Aadhaar Based Payment System is now mandatory for MGNREGA wages to ensure funds reach the correct, verified bank accounts. However, this technological change does not eliminate the role of the Gram Sabha. Social audits conducted by the Gram Sabha remain a vital legal requirement to ensure transparency and accountability in how projects are selected and funds are utilized locally.

56. (A) P-III, Q-IV, R-I, S-II
Rural finance involves various tools to support the poor. Microcredit provides small loans to low-income individuals. Government subsidies are grants that reduce the financial burden on borrowers. Collateral-free loans allow the poor to borrow without providing physical assets as security. Financial inclusion refers to the broader goal of ensuring that all rural citizens have access to formal banking and credit services.

57. (B) PMEGP - Providing employment to urban corporate professionals.
The Prime Minister's Employment Generation Programme is not intended for urban corporate professionals. Instead, it is a credit-linked subsidy scheme aimed at helping traditional artisans and unemployed youth establish micro-enterprises in both rural and urban areas. It focuses on self-employment and small-scale business development rather than placement in the corporate sector or large-scale industrial management roles.

58. (A) II, IV, I, III
A social audit begins with collecting all relevant financial and administrative records from the Gram Panchayat. The audit team then verifies these records by visiting worksites and interviewing beneficiaries. The findings are then presented and discussed in a public hearing within the Gram Sabha. Finally, follow-up actions are taken to rectify errors or recover any misappropriated government funds immediately.

59. (A) Opening group savings account → Regular internal lending → Micro-credit plan preparation → Bank loan linkage
The path to formal banking for SHGs starts with opening a group savings account to instill financial discipline. Members then practice internal lending using their own savings. As the group matures, they prepare a micro-credit plan detailing their collective and individual financial needs. This document is then used to apply for and secure larger, formal loans from commercial banks.

60. (C) Van Dhan Vikas Karyakram
The Van Dhan Vikas Karyakram is specifically designed to improve the livelihoods of tribal gatherers by helping them transition from selling raw produce to selling processed and branded goods. By establishing Van Dhan Vikas Kendras, tribal communities receive the training and infrastructure needed to add value to items like honey and tamarind, ensuring they capture a larger profit share.

61. (D) Formed by merging the Employment Assurance Scheme and the Jawahar Gram Samridhi Yojana.
The Sampoorna Grameen Rozgar Yojana was launched in 2001 to provide wage employment and food security in rural areas. It was created by merging two earlier major initiatives: the Employment Assurance Scheme and the Jawahar Gram Samridhi Yojana. The scheme emphasized the creation of durable community assets while paying part of the wages in food grains to address rural malnutrition effectively.

62. (A) I and II only
In the early years of Tamil Nadu's Mahalir Thittam, Non-Governmental Organisations played a crucial role in mobilizing women and

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45. (A) Both A and R are true and R is the correct explanation of A.
MGNREGA represents a fundamental shift in Indian social policy. Unlike previous employment schemes that were based on government budget allocations and administrative discretion, MGNREGA is a rights-based framework. It provides a legal guarantee of employment to every rural household, meaning the state is legally bound to provide work or pay an allowance, making it an enforceable right for citizens.

46. (A) P-IV, Q-I, R-III, S-II
MGNREGA includes specific operational guidelines to protect workers' rights. Work must be provided within five kilometers of the village. If it is not provided within fifteen days of a demand, the unemployment allowance becomes applicable. The Act mandates that at least one-third of the workforce be women, and it guarantees up to one hundred days of employment per household annually.

47. (B) Empowerment of the poorest through community-driven development and local support.
Livelihood schemes in Tamil Nadu, such as the Pudhu Vaazhvu Project and Mahalir Thittam, focus on empowering the most vulnerable sections of society. They utilize community-driven development models where the beneficiaries themselves participate in decision-making and project management. This approach ensures that poverty reduction strategies are tailored to local needs and foster long-term self-reliance among the rural poor consistently.

48. (A) I, II and III only
MGNREGA faces several implementation hurdles, including chronic delays in wage payments and concerns about the long-term utility of the assets created. Furthermore, when central funds are exhausted, work often stops at the state level until more money is released. However, the claim that it exclusively benefits large landowners is incorrect, as the scheme is primarily used by landless labourers.

49. (A) Notified by the Centre state-wise based on the Consumer Price Index (CPI-AL).
Wage rates for MGNREGA are not uniform across India; they vary from state to state. The Central Government periodically notifies these rates, which are indexed to the Consumer Price Index for Agricultural Labourers. This ensures that the wages reflect the local cost of living and inflation, helping to maintain the purchasing power of the rural poor who depend on the scheme.

50. (C) Deendayal Antyodaya Yojana
The National Rural Livelihoods Mission was renamed Deendayal Antyodaya Yojana-NRLM. 'Antyodaya' refers to the upliftment of the last person in the line, emphasizing the scheme's focus on the poorest and most marginalized households. The mission aims to reduce poverty by organizing rural women into self-help groups and providing them with the necessary support and resources for sustainable livelihoods.

51. (A) Pradhan Mantri Matsya Sampada Yojana
The Pradhan Mantri Matsya Sampada Yojana is designed to transform the fisheries sector through comprehensive interventions. It supports the creation of farmer producer organisations, provides insurance for fishers, and funds the development of essential infrastructure like cold chains and processing units. These measures aim to modernize the industry, reduce post-harvest losses, and ensure better economic returns for coastal communities.

52. (D) It is exclusively targeted at promoting software engineers in rural IT hubs.
The PM Vishwakarma scheme is specifically designed for traditional artisans and craftspeople who work with their hands and tools. It covers eighteen traditional trades such as carpentry, blacksmithing, and pottery. It provides them with training, toolkit incentives, and collateral-free loans. It is not an IT-focused scheme, as it aims to preserve and promote ancient heritage skills in the modern economy.

53. (B) Transition of the workforce from agriculture to construction, trade, and services.
Over the past few decades, India has seen a significant shift in rural employment patterns. While agriculture remains important, a growing number of rural workers are moving into the non-farm sector. This transition is driven by a lack of growth in farm incomes and the expansion of rural construction, retail trade, and

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71. (D) MGNREGA
MGNREGA is unique because it combines a wage guarantee with a strong focus on natural resource management. By mandating that a large portion of works involve water conservation, land development, and irrigation, the scheme directly contributes to improving groundwater levels and agricultural productivity. Over several years, these small-scale, labor-intensive projects collectively transform the local environment and strengthen the rural ecological base.

72. (A) From individual subsidies to institution-building and community-driven enhancement.
The National Rural Livelihoods Mission marks a fundamental shift from the old model of providing one-time subsidies to individual poor people. Instead, it focuses on building strong community institutions, primarily women's Self-Help Groups. By empowering these groups to manage their own finances and plan their own livelihoods, the government aims to create a sustainable, community-driven path out of poverty.

73. (A) II, IV, I, III
The development process in the fisheries sector under PMMSY begins with upstream activities like establishing brood banks for quality seeds. This is followed by the actual farming and pond management. Once the fish are harvested, the focus shifts to midstream infrastructure like cold chains and storage to prevent spoilage. Finally, the process concludes with downstream activities such as domestic marketing.

74. (A) Gram Panchayat → Block Panchayat → District Panchayat → State Government → Central Government
MGNREGA follows a bottom-up planning process. Each Gram Panchayat prepares an annual labor budget based on local demand. This plan is scrutinized at the block level and consolidated by the District Panchayat. The state government then reviews these district plans and submits a consolidated state-level proposal to the Central Government for final approval and the subsequent release of funds.

75. (C) A is true but R is false.
MGNREGA often acts as a wage floor in rural areas. When the government offers a guaranteed minimum wage for manual work, private landowners must offer similar or higher rates to attract laborers. However, the MGNREGA law does not have any legal authority to dictate what private individuals must pay. The increase in private wages is a result of market competition.

76. (A) P-II, Q-III, R-IV, S-I
The evolution of rural schemes involved many mergers. The Jawahar Rozgar Yojana combined earlier NREP and RLEGP programs. PMEGP was created to replace the REGP and PMRY schemes. The National Rural Livelihoods Mission was eventually renamed DAY-NRLM. Meanwhile, the Jawahar Gram Samridhi Yojana was a restructured version of JRY specifically designed to prioritize the creation of rural infrastructure.

77. (D) MUDRA - Large corporate conglomerates.
The MUDRA scheme is specifically designed to fund the "unfunded" micro-enterprise sector. It provides loans up to ten lakh rupees to small business owners, artisans, and shopkeepers. It is not intended for large corporate conglomerates, which have easy access to traditional commercial banking and capital markets. MUDRA's goal is to bring formal credit to the smallest entrepreneurs consistently.

78. (A) I, II, III and IV only
Stand-Up India supports marginalized entrepreneurs with loans between ten lakh and one crore rupees for new greenfield projects in manufacturing, services, or trading. In cases where the business is not owned by a single individual, the majority share must be held by an SC, ST, or woman entrepreneur. The scheme does not provide direct government jobs; it focuses entirely on entrepreneurship.

79. (B) Using Participatory Rural Appraisal and wealth ranking by the village community.
The Pudhu Vaazhvu Project used a community-based approach to identify the poorest of the poor. Instead of relying only on static government lists, it employed Participatory Rural Appraisal. This involved the village community itself ranking households based on their local understanding of wealth and vulnerability. This process ensured that the most marginalized families, who are often missed by records, were identified.

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training them to manage Self-Help Groups. They acted as a vital bridge between the rural poor and formal banks. The government has never banned NGOs from this work; rather, the partnership has evolved as community-based institutions have become more self-reliant.

63. (B) Linking the Aadhaar number with job cards and bank accounts for authenticated transfers.
Aadhaar Seeding is the process of recording an individual's unique Aadhaar number in the official databases of the MGNREGA program. By linking Aadhaar with both the worker's job card and their bank account, the government ensures that wage payments are sent directly to the correct person. This authentication process is essential for preventing fraud, duplicate entries, and middleman interference.

64. (B) 100 days
MGNREGA provides a legal guarantee for at least one hundred days of unskilled manual wage employment in every financial year. This guarantee is provided to every rural household whose adult members volunteer to do such work. While the basic guarantee is one hundred days, the government may increase this duration in regions officially notified as suffering from drought or other natural calamities.

65. (A) Both A and R are true and R is the correct explanation of A.
Promoting rural tourism and homestays is a sustainable livelihood strategy because it utilizes existing local assets and culture. It allows rural families to earn extra income without the heavy environmental impact of factories. In ecologically sensitive areas like the Nilgiris, this model provides economic growth while preserving the natural beauty and local traditions that attract visitors in the first place.

66. (A) P-II, Q-I, R-IV, S-III
MGNREGA uses a multi-layered administrative system. The Gram Sabha recommends projects and verifies them through audits. The Gram Panchayat is the primary agency for executing the works and keeping records. The Programme Officer at the block level reviews village plans to ensure they meet guidelines. The Ombudsman provides an independent mechanism for citizens to resolve grievances and report irregularities in implementation.

67. (A) Micro - Investment up to Rs. 1 crore and Annual Turnover up to Rs. 5 crore.
In 2020, the Indian government revised the definitions of micro, small, and medium enterprises. A micro-enterprise is now defined as a unit where the investment in plant and machinery does not exceed one crore rupees and the annual turnover does not exceed five crore rupees. This expanded definition allows more small businesses to access benefits under various government schemes and credit programs.

68. (D) Operates purely on voluntary donations from corporate social responsibility funds.
The Deen Dayal Upadhyaya Grameen Kaushalya Yojana is a centrally sponsored scheme funded through a partnership between the central and state governments. It also receives substantial financial and technical support from international bodies like the World Bank. It does not rely on voluntary corporate donations, as it is a core part of the government's official poverty alleviation strategy and budget.

69. (B) Expanding employment for landless households, aiming for 100 days of work per year.
The Rural Landless Employment Guarantee Programme was launched in 1983 specifically to address the needs of the most vulnerable rural residents: those without land. Its primary objective was to expand employment opportunities for at least one member of every landless labor household for up to one hundred days a year, while simultaneously creating durable assets to strengthen infrastructure.

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70. (A) I, II and III only
The Prime Minister's Employment Generation Programme is managed by the Ministry of MSME, with KVIC acting as the national nodal agency. It incentivizes entrepreneurship by providing higher subsidies to women and marginalized groups like SC and ST applicants. The scheme is not restricted to manufacturing; it also covers a wide range of service-oriented businesses to maximize employment generation.

CHAPTER 16

Rural Infrastructure and Social Protection Programmes

1. Which of the following best defines rural infrastructure in the context of economic development?
(A) Physical structures like roads and bridges built primarily for basic transportation in remote areas.
(B) The physical, social, and economic networks facilitating rural productivity and living standards.
(C) Digital connectivity networks established specifically to link gram panchayats with state capitals.
(D) Government-subsidized agricultural machinery and specialized tools provided directly to rural farmers.
(E) Answer not known

2. Consider the following statements regarding the phases of the Pradhan Mantri Gram Sadak Yojana (PMGSY):
I. Phase I focused on providing new all-weather connectivity to unconnected habitations.
II. Phase II aimed at upgrading the existing rural road network to improve overall efficiency.
III. Phase III focuses exclusively on constructing multi-lane national highways bypassing rural towns.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

3. In which year was the Pradhan Mantri Gram Sadak Yojana (PMGSY) launched to provide all-weather road connectivity to unconnected rural habitations?
(A) 1998
(B) 2000
(C) 2004
(D) 2014
(E) Answer not known

4. Match the following rural housing schemes or components with their key features:
List I: (Housing Schemes/Components)
P. Indira Awaas Yojana (IAY)
Q. PMAY-G
R. Awaas Plus
S. SECC 2011
List II: (Key Features)
I. Basis for the initial beneficiary selection for rural housing
II. Replacement scheme aiming to provide pucca houses with basic amenities
III. Earlier housing scheme that suffered from target leakages and low unit costs
IV. A survey conducted to identify eligible households left out of the initial database
(A) P-III, Q-II, R-IV, S-I
(B) P-II, Q-III, R-I, S-IV
(C) P-IV, Q-I, R-III, S-II
(D) P-I, Q-IV, R-II, S-III
(E) Answer not known

5. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): The construction of all-weather rural roads under PMGSY has a direct positive impact on agricultural market access for farmers.
Reason (R): Improved rural roads reduce transportation time, lower freight costs, and minimize the spoilage of perishable agricultural produce.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct

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80. (D) 100 days of unskilled manual wage employment in a year to every rural household.
The core mission of MGNREGA is to provide social security by guaranteeing at least one hundred days of unskilled work to any rural household that asks for it. By providing a legal right to work, the Act ensures a basic level of income for the poor, helping to reduce seasonal distress and migration. It focuses specifically on manual labor jobs.

81. (A) The period between agricultural operations when the demand for labour is minimal.
In rural economies, the demand for agricultural labor is not constant. During the periods between sowing and harvesting, there is very little farm work available. This "lean season" is a time of high vulnerability for landless labourers who have no other source of income. Employment schemes like MGNREGA are designed to provide work specifically during these gaps to ensure security.

82. (A) I and II only
Gram Panchayats are the central implementing agency for MGNREGA and must execute at least half of the projects by cost. They are also responsible for the administrative task of registering households and issuing job cards. However, they do not have absolute authority to deny work; they are legally required to provide work to any eligible person who demands it locally.

83. (A) The scheme guarantees lifetime employment within public sector undertakings (PSUs) for all its trainees.
The DDU-GKY provides placement-linked skill training, meaning it aims to help rural youth find regular jobs in the private or formal sectors. It does not and cannot guarantee lifetime employment, nor is it restricted to public sector undertakings. Its success is measured by the percentage of trained candidates who are placed in jobs with a regular salary for three months.

84. (D) Access to formal banking for the unbanked poor, reducing reliance on moneylenders.
Many rural poor are unable to access traditional bank loans due to a lack of collateral and formal records. The SHG-Bank Linkage Programme solves this by treating the group as a single entity with collective responsibility. This allows the unbanked poor to access formal credit based on their savings and internal lending discipline, effectively reducing their dependence on high-interest local moneylenders.

85. (A) Both A and R are true and R is the correct explanation of A.
The unemployment allowance is a fundamental part of the MGNREGA legal framework. Because the law guarantees work, the state must compensate the worker if it fails to provide a job within fifteen days of demand. This allowance acts as a powerful accountability tool, putting financial pressure on the state administration to ensure that projects are planned and implemented in a timely manner.

86. (A) P-III, Q-IV, R-I, S-II
Different types of unemployment exist in rural areas. Disguised unemployment means more people are working than necessary, with zero marginal impact. Seasonal unemployment happens during the periods when no crops are being grown. Underemployment occurs when people work below their skill level or for fewer hours. Structural unemployment results from a long-term mismatch between the available jobs and the worker skills.

87. (D) TNCDW - Implementation of Mahalir Thittam and DAY-NRLM schemes.
The Tamil Nadu Corporation for Development of Women is the key nodal agency for implementing women's empowerment and livelihood programs in the state. It oversees the Mahalir Thittam SHG movement and the state-level activities of the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission. The corporation focuses on social mobilization, financial inclusion, and economic development for millions of rural women across Tamil Nadu.

88. (A) Establishing a small-scale agro-processing unit (like a flour mill) in the village.
The rural non-farm sector includes all economic activities in rural areas that are not directly involved in crop production or animal husbandry. A small-scale agro-processing unit, such as a flour mill, is a classic example of a non-farm activity. These businesses add value to agricultural produce and create local

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employment, contributing to the diversification and economic resilience of the village area.

89. (B) Establishing micro-enterprises in rural areas through the Self-Help Group approach.
Launched in 1999, the SGSY was a major self-employment scheme that shifted the focus from individual beneficiaries to the Self-Help Group model. It aimed to bring poor families above the poverty line by helping them form groups, save money, and eventually establish micro-enterprises with the help of bank credit and government subsidies, paving the way for the later NRLM mission.

90. (A) III and IV only
MGNREGA is primarily a wage-employment program, so it strictly maintains a sixty-to-forty ratio between wages and material costs. This ensures that the majority of the money goes directly to the workers as income. Neither the state nor large-scale project managers have the authority to bypass this ratio or use capital-intensive machinery that would reduce the number of manual labor jobs.

91. (A) Livelihood diversification due to agrarian distress and non-farm opportunities.
In Tamil Nadu, many rural workers are moving into sectors like textiles, construction, and trade. This transition is a sign of livelihood diversification. It is often driven by difficulties in the farming sector, such as water scarcity or low profitability, combined with the emergence of new jobs in the growing rural and semi-urban non-farm economy, providing more stable income sources.

92. (A) Both A and R are true and R is the correct explanation of A.
Mahalir Thittam has significantly empowered women in Tamil Nadu by organizing them into Self-Help Groups. By managing their own savings and loans, these women gain financial independence. This economic strength often leads to greater confidence and a larger role in making decisions at home and in the community, demonstrating that financial inclusion is a direct pathway to broader social empowerment.

93. (A) P-II, Q-IV, R-III, S-I
The MUDRA scheme provides funding for every stage of a small business. Shishu is for those just starting out. Kishore helps entrepreneurs who have begun their business but need more funds to establish themselves. Tarun is for those ready for significant expansion. Meanwhile, the parallel Stand-Up India scheme focuses on much larger, new greenfield projects for marginalized groups.

94. (C) Category D - Construction of multi-story luxury shopping malls in urban areas.
Permissible works under MGNREGA are strictly focused on rural development and community welfare. Category D works include things like village infrastructure and playfields. The scheme is entirely rural-based and does not allow for urban projects like luxury shopping malls. Its goal is to create assets that improve the local economy and life for the rural population specifically.

95. (B) Merging NREP and RLEGP to create employment for the unemployed in rural areas.
The Jawahar Rozgar Yojana was a landmark employment scheme launched in 1989. By merging two previous programs, it aimed to streamline the government's efforts to provide wage employment to the rural unemployed. It also sought to create durable community assets and improve the overall rural infrastructure by empowering village-level bodies to manage and implement local development projects directly.

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96. (D) Internal lending within the group is strictly prohibited by RBI guidelines.
Internal lending is a core feature of the Self-Help Group model and is fully supported by the Reserve Bank of India. Before a group can get a bank loan, it must demonstrate its ability to manage its own funds through internal lending. This practice helps members meet small, urgent financial needs while building the group's collective creditworthiness and financial management skills effectively.

97. (A) Persistent issues of delayed wage payments despite the 15-day mandate.
While MGNREGA has a legal requirement to pay workers within fifteen days, administrative and technical problems often lead to significant delays. These delays can cause severe hardship for poor households that depend on the scheme for

their daily needs. Addressing these bottlenecks in the fund transfer and verification process remains one of the most critical challenges for the program nationwide.

98. (A) I, II, III and V only
Convergence allows MGNREGA labor to be used for projects funded by other schemes, such as building housing under PMAY-G or latrines under the Swachh Bharat Mission. This approach optimizes resources and ensures that high-quality, permanent assets are created. Far from being forbidden, convergence is actively encouraged by the government to enhance the impact and sustainability of various rural initiatives.

99. (A) A fund provided to SHGs to build capacity, credit history, and internal lending.
Under the National Rural Livelihoods Mission, a Revolving Fund is a one-time grant given to Self-Help Groups that have been active for at least three to six months. This money is meant to stay with the group and circulate among members as small loans. It helps the group build its own corpus, practice financial management, and establish a positive credit history.

100. (D) Adopts a Guru-Shishya approach, offering recognition, skills, and market linkage.
The PM Vishwakarma scheme honors the traditional "Guru-Shishya" tradition of skill transfer. It provides artisans with a formal identity through a certificate and ID card, alongside skill upgradation and toolkit incentives. By combining ancient knowledge with modern tools and credit support, the scheme helps traditional craftspeople improve their productivity and connect with larger markets while preserving heritage skills.

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36. (A) P-II, Q-IV, R-I, S-III
Government schemes are tailored to specific occupations. PM Vishwakarma targets traditional artisans, while PM SVANidhi assists street vendors with credit. The PM Matsya Sampada Yojana focuses on the growth and welfare of fishermen and the aquaculture industry. The Van Dhan Yojana provides support to tribal gatherers by helping them process and market minor forest produce for better income and sustainability.

37. (B) MUDRA Tarun Loan - Loan limit strictly between Rs. 1 Crore and Rs. 5 Crores.
The MUDRA Tarun loan is designed for the highest level of micro-enterprise expansion under the scheme, but its limit is strictly between five lakh and ten lakh rupees. It does not reach the range of one to five crore rupees. Other details, such as the 100% central funding for MGNREGA wages, are correctly stated in the regulatory framework for these schemes.

38. (C) In reality, female participation in MGNREGA at the national level has consistently remained below 10 percent.
MGNREGA is known for high female participation, which has consistently exceeded the mandated one-third requirement at the national level. In many states, women constitute more than half of the workforce. The scheme's features, such as equal pay, work close to home, and the provision of childcare facilities at worksites, have made it a major driver of female labor force participation.

39. (D) Developing theme-based tourist circuits to generate rural employment through tourism.
The Swadesh Darshan scheme aims to develop high-potential tourist circuits across India. By creating infrastructure and promoting local heritage, it attracts visitors to rural and remote areas. This growth in tourism generates diverse local employment opportunities in hospitality, handicrafts, and transportation, allowing rural communities to benefit from the economic potential of their local culture and natural environment consistently.

40. (A) II, III, IV, I
The SHG-Bank Linkage process begins with the formation of a group and regular saving by members. Once a corpus is built, the group starts internal lending to meet immediate needs. After a few months, the bank conducts a grading and assessment to check the group's discipline. If the assessment is positive, the group is finally linked for larger bank loans.

41. (A) I and II only
Van Dhan Vikas Kendras are a joint initiative to provide tribal gatherers with the skills and equipment needed for value addition of forest produce. They do not restrict sales; instead, they empower communities to move beyond selling raw materials at low prices. By processing and branding their goods, tribal groups can earn much higher profits in the open market.

42. (B) Rs. 10,000 → Rs. 20,000 → Rs. 50,000
The PM SVANidhi scheme encourages financial discipline among street vendors through a tiered loan system. Initially, a vendor can access a working capital loan of ten thousand rupees. Upon timely repayment, they become eligible for a second loan of twenty thousand rupees. Sustained repayment further unlocks a third loan of fifty thousand rupees, facilitating gradual and sustainable business growth.

43. (A) MGNREGA's demand-driven employment guarantee
When rural households face environmental or economic crises like monsoon failure, MGNREGA provides a crucial safety net. Because it is demand-driven, any adult member can request work and the government must provide it locally. This allows families to stay in their villages and earn a living through labor-intensive projects like water conservation instead of being forced to migrate elsewhere.

44. (C) Sustainable fisheries development to double fishers' incomes and enhance competitiveness.
Blue Revolution 2.0, implemented through the PM Matsya Sampada Yojana, focuses on the integrated and sustainable development of the fisheries sector. It aims to modernize the industry through better technology, infrastructure, and management. The goal is to increase production and productivity, thereby doubling the incomes of fishers and fish farmers while ensuring environmental sustainability and global market competitiveness.

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explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

6. Under the Pradhan Mantri Awaas Yojana - Gramin (PMAY-G), what is the unit assistance cost provided for constructing a house in plain areas?
(A) Rs. 1.00 Lakh
(B) Rs. 1.20 Lakh
(C) Rs. 1.30 Lakh
(D) Rs. 1.50 Lakh
(E) Answer not known

7. Which of the following pairs is correctly matched regarding social protection schemes and their target beneficiaries?
(A) Indira Gandhi National Old Age Pension Scheme - All senior citizens irrespective of income
(B) Indira Gandhi National Widow Pension Scheme - BPL widows aged 40 to 79 years
(C) Indira Gandhi National Disability Pension Scheme - Any BPL individual with 20% disability
(D) Annapurna Scheme - Pregnant and lactating women in rural areas
(E) Answer not known

8. Which of the following statements is incorrect regarding the beneficiary selection process under Pradhan Mantri Awaas Yojana - Gramin (PMAY-G)?
(A) Identification using housing deprivation parameters clearly outlined in the SECC 2011 data records.
(B) Validation of the list of eligible beneficiaries by the respective local Gram Sabhas during meetings.
(C) Selection based solely on the discretionary recommendation of a local Member of Legislative Assembly.
(D) Surveying households via Awaas Plus to include eligible families omitted from the original SECC list.
(E) Answer not known

9. Consider the following statements about the Saubhagya Scheme (Pradhan Mantri Sahaj Bijli Har Ghar Yojana):
I. It aims to achieve universal household electrification in both rural and urban areas.
II. Free electricity connections are provided only to Below Poverty Line (BPL) households, while others pay a nominal fee.
III. It emphasizes establishing large-scale coal power plants to generate electricity.
IV. Solar Photovoltaic (SPV) based standalone systems are provided to un-electrified households in remote and inaccessible areas.
Which of the above statement(s) is/are correct?
(A) I, II and IV
(B) II, III and IV
(C) I and II
(D) III and IV
(E) Answer not known

10. How does the Universal Public Distribution System (UPDS) implemented in Tamil Nadu conceptually differ from the Targeted Public Distribution System (TPDS) mandated by the National Food Security Act (NFSA)?
(A) Entitlements extended to all family cardholders without BPL/APL categorization, minimizing exclusion errors.
(B) Provision of food grains exclusively to Antyodaya Anna Yojana households while excluding other rural citizens.
(C) Implementation of significantly higher prices for rice compared to the established central TPDS pricing norms.
(D) Complete reliance on private grocery store networks rather than the established government Fair Price Shops.
(E) Answer not known

11. Arrange the following rural housing and employment initiatives in their correct chronological sequence of historical evolution in India:
I. Indira Awaas Yojana (IAY) as an independent scheme
II. National Rural Employment Programme (NREP)
III. Pradhan Mantri Awaas Yojana - Gramin (PMAY-G)
IV. Rural Landless Employment Guarantee Programme (RLEGP)
Which of the following is the correct chronological sequence?

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Village Level Entrepreneur (VLE)
(E) Answer not known

61. What was the primary purpose for conducting the 'Awaas Plus' survey under rural housing programs?
(A) To capture details of eligible households left out of the SECC 2011 housing list.
(B) To identify non-residential commercial buildings for the purpose of municipal taxation.
(C) To measure the structural strength of all existing pucca houses located in urban areas.
(D) To distribute property documents to landowners during various rural land survey drives.
(E) Answer not known

62. Consider the following statements regarding the Indira Gandhi National Widow Pension Scheme (IGNWPS):
I. It provides a monthly pension to all widows in the country regardless of their financial status.
II. The eligible age group for beneficiaries under this scheme is 40 to 79 years.
III. Applicants must belong to a household Below the Poverty Line (BPL) as per Government of India criteria.
Which of the above statement(s) is/are incorrect?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

63. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): Phase III of the Pradhan Mantri Gram Sadak Yojana (PMGSY-III) shifted its focus from building new links for unconnected habitations to consolidation and upgradation.
Reason (R): Most eligible unconnected habitations were already covered in earlier phases, necessitating the upgradation of existing major rural links to connect habitations to markets, schools, and hospitals.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

64. Under the National Family Benefit Scheme (NFBS), what is the quantum of the lump sum assistance currently provided to a BPL household in the event of the death of the primary breadwinner?
(A) Rs. 10,000
(B) Rs. 20,000
(C) Rs. 50,000
(D) Rs. 1,00,000
(E) Answer not known

65. Match the specific beneficiary categories under the National Food Security Act (NFSA) 2013 with their corresponding entitlements:
List I: (Beneficiary Categories)
P. Antyodaya Anna Yojana (AAY) households
Q. Priority Households (PHH)
R. Pregnant women and lactating mothers
S. Children aged 6 months to 14 years
List II: (Entitlements)
I. Entitled to 5 kg of food grains per person per month
II. Entitled to meals as per nutritional standards
III. Entitled to 35 kg of food grains per household per month
IV. Entitled to a maternity benefit of not less than Rs. 6,000 and meals
(A) P-III, Q-I, R-IV, S-II
(B) P-I, Q-III, R-II, S-IV
(C) P-III, Q-I, R-II, S-IV
(D) P-IV, Q-II, R-I, S-III
(E) Answer not known

66. Which of the following pairs is incorrectly matched regarding rural health infrastructure and its staffing or component norm?
(A) Sub-Centre - Auxiliary Nurse Midwife (ANM)
(B) Health and Wellness Centre (HWC) - Focus exclusively on major organ transplants
(C) Community Health Centre (CHC) - Specialist doctors (Surgeon, Physician, Gynecologist, Pediatrician)
(D) Primary Health Centre (PHC) - Medical

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Reason (R): Long-term eradication of open defecation requires sustained behaviour change among rural communities, not merely the provision of physical infrastructure.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

18. Which of the following represents the correct hierarchical sequence of Rural Health Infrastructure in India based on population coverage norms (from lowest population served to highest)?

(A) Primary Health Centre → Sub-Centre → Community Health Centre
(B) Sub-Centre → Primary Health Centre → Community Health Centre
(C) Community Health Centre → Primary Health Centre → Sub-Centre
(D) Primary Health Centre → Community Health Centre → Sub-Centre
(E) Answer not known

19. What is the most appropriate primary role of Common Service Centres (CSCs) in rural India?

(A) Front-end delivery points for government, private, and social sector e-services in rural communities.
(B) Localized branches of the Reserve Bank of India providing direct credit facilities to rural residents.
(C) Specialized rural godowns designed for the long-term storage of perishable and non-perishable produce.
(D) Administrative centers used to recruit and register manual labourers for various national MGNREGA projects.
(E) Answer not known

20. Consider the following statements regarding the BharatNet project in rural areas:

I. It aims to provide broadband connectivity to all Gram Panchayats in the country.
II. The infrastructure is entirely based on localized wireless radio frequencies without the use of optical fibre.
III. It facilitates the delivery of e-health, e-education, and e-governance services at the rural level.

Which of the above statement(s) is/are incorrect?

(A) I and III
(B) I and II
(C) I only
(D) II only
(E) Answer not known

21. Which of the following target groups is NOT covered under the core services of the Integrated Child Development Services (ICDS) scheme?

(A) Senior citizens aged above 60 years
(B) Children in the age group of 0-6 years
(C) Pregnant women
(D) Lactating mothers
(E) Answer not known

22. Which of the following pairs is incorrectly matched regarding the population norms for establishing rural health infrastructure in plain areas?

(A) Sub-Centre - 5,000 population
(B) Primary Health Centre (PHC) - 30,000 population
(C) Community Health Centre (CHC) - 1,20,000 population
(D) Health and Wellness Centre - 5,00,000 population
(E) Answer not known

23. In a comparison between the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and the Pradhan Mantri Suraksha Bima Yojana (PMSBY), which of the following statements is true?

(A) PMJJBY provides health insurance for medical hospitalization, while PMSBY focuses exclusively on life insurance.
(B) PMJJBY offers life insurance for any death, while PMSBY provides accidental death and disability cover.
(C) Both programs are entirely non-contributory and require no annual premium payment from any beneficiary.
(D) PMJJBY requires a significantly lower annual premium amount when compared to the costs of PMSBY.
(E) Answer not known

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(A) II, IV, I, III
(B) IV, II, III, I
(C) I, II, IV, III
(D) II, I, IV, III
(E) Answer not known

12. Which of the following social protection mechanisms is correctly classified as a contributory scheme?
(A) National Family Benefit Scheme (NFBS)
(B) Atal Pension Yojana (APY)
(C) Indira Gandhi National Old Age Pension Scheme (IGNOAPS)
(D) Annapurna Scheme
(E) Answer not known

13. Consider the following statements regarding the Jal Jeevan Mission (JJM):
I. It aims to provide a Functional Household Tap Connection (FHTC) to every rural household.
II. The target year for achieving 'Har Ghar Jal' is 2030.
III. It strictly mandates that all funding must be raised by the gram panchayat without central assistance.
IV. The mission includes community-led monitoring of water quality using field test kits.
V. It promotes the sustainability of water sources through greywater management and rainwater harvesting.
Which of the above statement(s) is/are incorrect?
(A) I, IV, V and II
(B) II, III, IV and V
(C) II and III
(D) I, IV and V
(E) Answer not known

14. What is a major disadvantage frequently associated with the Targeted Public Distribution System (TPDS) when compared to a Universal system?
(A) Systematic over-procurement of essential food grains far beyond the established national buffer norms.
(B) Distribution of uniform subsidies to both high-income and low-income households on an equal basis.
(C) Significant exclusion errors where poor households are left out due to flawed targeting criteria.
(D) Total elimination of the administrative role of state governments in the essential grain distribution process.
(E) Answer not known

15. Match the following social protection legislations or schemes with their respective years of enactment or launch:
List I: (Legislation/Schemes)
P. National Food Security Act
Q. Unorganised Workers Social Security Act
R. Atal Pension Yojana
S. e-Shram Portal launch
List II: (Years)
I. 2008
II. 2013
III. 2015
IV. 2021
(A) P-II, Q-I, R-III, S-IV
(B) P-I, Q-II, R-IV, S-III
(C) P-III, Q-IV, R-II, S-I
(D) P-II, Q-III, R-I, S-IV
(E) Answer not known

16. Which of the following is a key feature that distinguishes an 'ODF Plus' village under Swachh Bharat Mission Gramin Phase II from a merely 'ODF' village?
(A) Mandatory provision of free electricity connections for all newly constructed household and public toilets.
(B) Total eradication of open defecation practices achieved solely through the implementation of punitive fines.
(C) Implementation of Solid and Liquid Waste Management (SLWM) systems alongside sustained toilet usage.
(D) Large-scale construction of multi-story public sanitation complexes in densely populated rural cluster areas.
(E) Answer not known

17. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): The Swachh Bharat Mission Gramin emphasized Information, Education, and Communication (IEC) rather than just toilet construction.

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(E) Answer not known

30. What can be inferred about the primary policy objective behind the implementation of the One Nation One Ration Card (ONORC) scheme?
(A) To strictly restrict the movement of manual labourers across state borders for administrative tracking.
(B) To replace physical ration distribution with Direct Benefit Transfers (DBT) to individual bank accounts.
(C) To ensure food security portability for migrant workers, allowing access to entitlements anywhere in India.
(D) To unify all existing state-level civil supply corporations into a single, centralized federal agency.
(E) Answer not known

31. Which of the following parameters was least relevant in determining the deprivation status of a rural household under the Socio-Economic and Caste Census (SECC) 2011 for welfare schemes?
(A) Households with only one room with kucha walls and kucha roof
(B) Households without an adult male member between 16 and 59 years of age
(C) Landless households deriving a major part of their income from manual casual labour
(D) Ownership of a smartphone and active social media presence
(E) Answer not known

32. How is 'Social Protection' best defined in the context of public policy?
(A) Military and strategic defense protocols employed to secure national borders against diverse external threats.
(B) Strict environmental regulations and laws aimed at conserving wildlife and habitats in rural sanctuaries.
(C) Policies and programs designed to reduce and prevent poverty and vulnerability throughout the life cycle.
(D) Internal corporate guidelines designed to protect industrial machinery and equipment from rapid depreciation.
(E) Answer not known

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33. Match the following categories of rural infrastructure with their appropriate examples:
List I: (Infrastructure Categories)
P. Physical Infrastructure
Q. Social Infrastructure
R. Digital Infrastructure
S. Economic Infrastructure
List II: (Examples)
I. BharatNet and Common Service Centres
II. Rural Roads and Rural Housing
III. Agricultural Markets (APMCs) and Godowns
IV. Primary Health Centres and Schools
(A) P-II, Q-IV, R-I, S-III
(B) P-III, Q-I, R-IV, S-II
(C) P-IV, Q-II, R-III, S-I
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

34. Consider the following statements regarding the Poshan Abhiyaan (National Nutrition Mission):
I. It aims to reduce stunting, under-nutrition, and anemia among young children, women, and adolescent girls.
II. It utilizes real-time technology (Poshan Tracker) for monitoring and tracking the delivery of nutritional services.
III. It promotes convergence among various ministries addressing nutrition.
IV. It replaced the mid-day meal scheme entirely with cash transfers.
V. It specifically targets reducing low birth weight by 2% per annum.
Which of the above statement(s) is/are correct?
(A) I, II, III and V
(B) I, III, IV and V
(C) I, II and IV
(D) II, III and V
(E) Answer not known

35. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): The implementation of the Midday Meal Scheme (now PM POSHAN) in rural schools serves as a critical component of social infrastructure.
Reason (R): It enhances school enrollment, retention, and attendance while simultaneously improving the nutritional levels among school-

24. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.

Assertion (A): The Employees' Provident Fund (EPF) and Employees' State Insurance (ESI) primarily serve the unorganised sector workforce in India.

Reason (R): These schemes require mandatory employer-employee contributions and are governed by strict statutory frameworks applicable to formal establishments.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

25. Which of the following is an example of a non-contributory social protection program aimed at poverty alleviation among the destitute?
(A) Atal Pension Yojana
(B) Employees' Provident Fund
(C) Pradhan Mantri Shram Yogi Maan-dhan
(D) Indira Gandhi National Old Age Pension Scheme
(E) Answer not known

26. Match the following schemes under the National Social Assistance Programme (NSAP) with their specific eligibility criteria:

List I: (Schemes)
P. IGNOAPS
Q. IGNWPS
R. IGNDPS
S. NFBS

List II: (Eligibility Criteria)
I. BPL persons with 80% or more disability
II. Lump sum assistance on the death of the primary breadwinner
III. BPL persons aged 60 years and above
IV. BPL widows aged 40-79 years

(A) P-III, Q-IV, R-I, S-II
(B) P-IV, Q-III, R-II, S-I
(C) P-I, Q-II, R-III, S-IV
(D) P-II, Q-I, R-IV, S-III
(E) Answer not known

27. Which of the following statements is correct regarding the National Family Benefit Scheme (NFBS)?
(A) A regular monthly pension scheme for families with children diagnosed with severe physical disabilities.
(B) A one-time lump sum financial assistance to a BPL household upon the death of its primary breadwinner.
(C) Financial subsidies intended to cover the marriage expenses for daughters of small and marginal farmers.
(D) Free comprehensive health insurance coverage up to five lakhs for all eligible rural family members.
(E) Answer not known

28. Consider the following statements regarding the Annapurna Scheme:
I. It is an integral component of the National Social Assistance Programme (NSAP).
II. It targets indigent senior citizens who are eligible for IGNOAPS but are not receiving the pension.
III. Beneficiaries under this scheme receive 25 kg of food grains per month free of cost.
IV. It is completely funded by the beneficiaries themselves.

Which of the above statement(s) is/are incorrect?
(A) I, II and III
(B) III and IV
(C) II and IV
(D) I, III and IV
(E) Answer not known

29. Arrange the following steps in the typical supply chain sequence of the Public Distribution System (PDS) from procurement to delivery:
I. Transport to State Godowns / Civil Supplies Corporation
II. Procurement of food grains by the Food Corporation of India (FCI)
III. Distribution to beneficiaries via Fair Price Shops (FPS)
IV. Allocation and lifting of grains by State Governments

Which of the following is the correct sequence?
(A) II, I, IV, III
(B) II, IV, I, III
(C) IV, II, I, III
(D) I, II, III, IV

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population.
(C) Refusing to implement the national One Nation One Ration Card scheme within the state's borders.
(D) Procuring all state food grains through private foreign imports rather than the Food Corporation.
(E) Answer not known

43. Match the following terms related to the Swachh Bharat Mission Gramin (SBM-G) with their descriptions:
List I: (Terms)
P. ODF
Q. ODF Plus
R. SLWM
S. IEC
List II: (Descriptions)
I. Sustaining zero open defecation along with solid and liquid waste management
II. Information, Education, and Communication to drive behaviour change
III. Status where no visible feces are found in the environment and every household uses safe technology to dispose of feces
IV. Processes ensuring safe disposal of biodegradable, plastic, and liquid waste in villages
(A) P-II, Q-III, R-I, S-IV
(B) P-III, Q-I, R-IV, S-II
(C) P-I, Q-IV, R-II, S-III
(D) P-IV, Q-II, R-III, S-I
(E) Answer not known

44. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): The deployment of Common Service Centres (CSCs) is crucial for the success of digital empowerment in rural India.
Reason (R): CSCs act as assisted digital service delivery counters managed by Village Level Entrepreneurs (VLEs), bridging the gap for rural citizens who lack personal internet access or digital literacy.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

45. What is the primary advantage of implementing end-to-end computerisation of the Public Distribution System (PDS)?
(A) Increasing supply chain transparency and digitizing databases to significantly plug leakages.
(B) Ensuring that only urban areas receive food subsidies while excluding rural and semi-urban zones.
(C) Eliminating the complete need for any physical transportation of grains through digital transfers.
(D) Substantially increasing the final cost of essential food grains for the end rural consumer base.
(E) Answer not known

46. Which of the following is the defining feature of the Health and Wellness Centres (HWCs) upgraded under the Ayushman Bharat scheme?
(A) Serving exclusively as tertiary care cancer treatment hospitals located within specialized rural areas.
(B) Privately owned pharmaceutical shops mandated by the government to operate in every single village.
(C) Shifting the focus to Comprehensive Primary Health Care, including maternal and non-communicable diseases.
(D) Providing life insurance policies directly to rural farmers to protect against agricultural risks.
(E) Answer not known

47. Which of the following is correctly matched regarding rural education infrastructure and its specific goal?
(A) Providing heavily subsidized higher education courses in established foreign universities.
(B) Distributing free agricultural lands to teachers as an incentive for serving in rural schools.
(C) Constructing massive university campuses in remote villages to improve higher education access.
(D) Ensuring nutritional support and increasing school retention among primary children.

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going children.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

36. Which of the following is correctly matched regarding rural digital empowerment schemes and their primary functions?
(A) BharatNet - Providing direct financial subsidies to farmers via mobile apps
(B) PMGDISHA - Imparting basic digital literacy to rural households
(C) CSC VLE Model - Distributing seeds and fertilizers exclusively
(D) e-Shram - Enabling online voting for Gram Panchayat elections
(E) Answer not known

37. The Unorganised Workers' Social Security Act, enacted to provide for the social security and welfare of unorganised workers, was passed by the Parliament of India in which year?
(A) 2001
(B) 2005
(C) 2008
(D) 2014
(E) Answer not known

38. Which of the following represents the correct sequence of steps involved in finalizing a beneficiary for the Pradhan Mantri Awaas Yojana - Gramin (PMAY-G)?
(A) Sanction of House → Gram Sabha Validation → SECC Data Identification → Geo-tagging
(B) SECC Data Identification → Gram Sabha Validation → Geo-tagging of current dwelling → Sanction of House
(C) Geo-tagging → Sanction of House → SECC Data Identification → Gram Sabha Validation
(D) Gram Sabha Validation → Sanction of House → Geo-tagging → SECC Data Identification
(E) Answer not known

39. Under the Atal Pension Yojana (APY), what is the range of the guaranteed minimum monthly pension available to the subscribers upon attaining the age of 60 years?
(A) Rs. 1,000 to Rs. 5,000
(B) Rs. 500 to Rs. 2,000
(C) Rs. 2,000 to Rs. 10,000
(D) Rs. 5,000 to Rs. 15,000
(E) Answer not known

40. Consider the following statements regarding the Pradhan Mantri Gramin Digital Saksharta Abhiyaan (PMGDISHA):
I. It aims to make at least one person per eligible rural household digitally literate.
II. The program exclusively trains individuals above the age of 60 years.
III. Training encompasses operating digital devices, accessing government e-services, and making digital payments.
Which of the above statement(s) is/are correct?
(A) I and II
(B) I and III
(C) I only
(D) II only
(E) Answer not known

41. Which of the following statements is incorrect regarding the targets and mechanisms of the Jal Jeevan Mission (JJM)?
(A) Envisioning a minimum supply of fifty-five litres of potable water per capita per day for every person.
(B) Emphasizing the formation of Village Water and Sanitation Committees (VWSCs) to manage local water.
(C) Actively promoting the convergence of funds from MGNREGA and periodic Finance Commission grants.
(D) Mandating that all water infrastructure be maintained exclusively by the Central Public Works Department.
(E) Answer not known

42. When comparing the Tamil Nadu Public Distribution System with the National Food Security Act (NFSA) mandates, what unique feature does Tamil Nadu maintain?
(A) Implementing a Universal PDS that provides free rice to all cardholders regardless of poverty lines.
(B) Strictly limiting the distribution of food grains to only the bottom ten percent of the

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(B) III, IV and V
(C) III only
(D) I and V
(E) Answer not known

55. Match the following insurance or pension schemes with their respective premium or contribution norms:
List I: (Insurance/Pension Schemes)
P. PM Jeevan Jyoti Bima Yojana (PMJJBY)
Q. PM Suraksha Bima Yojana (PMSBY)
R. Atal Pension Yojana (APY)
S. ESI Scheme
List II: (Premium/Contribution Norms)
I. Rs. 20 per annum (auto-debited)
II. Rs. 436 per annum (auto-debited)
III. Contribution shared by both employer and employee in the organised sector
IV. Monthly contribution varying based on entry age and chosen pension amount
(A) P-I, Q-II, R-IV, S-III
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-I, R-II, S-IV
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

56. Which of the following is correctly matched regarding the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY)?
(A) To provide free smartphones to BPL students to facilitate their attendance in online classes.
(B) Additional 5 kg of free food grains per person per month to NFSA beneficiaries.
(C) Targeting the corporate sector employees to ensure their welfare during economic downturns.
(D) Utilizing the Reserve Bank of India as the primary implementation agency for grain distribution.
(E) Answer not known

57. Which of the following is a correct statement regarding the coverage mandated under the National Food Security Act (NFSA), 2013?
(A) Entitling up to 75% of the rural population and 50% of the urban population to subsidized grains.
(B) Covering 100% of both rural and urban populations without any income-based or social targeting.
(C) Providing nutritional entitlements exclusively to families living in certified drought-prone areas.
(D) Limiting food coverage strictly to households possessing a valid passport for identity verification.
(E) Answer not known

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58. Based on the structure of social protection in India, what can be inferred about the national strategy for vulnerability reduction?
(A) A mix of non-contributory social assistance and contributory schemes for unorganised and formal workers.
(B) Entire reliance on market-based private insurance systems with absolutely no government intervention.
(C) Exclusively targeting formal sector employees while leaving the unorganised sector to private NGOs.
(D) Characterized by the total abolition of all welfare schemes in favour of a universal basic income.
(E) Answer not known

59. Which of the following schemes is NOT a component of the National Social Assistance Programme (NSAP)?
(A) Pradhan Mantri Matru Vandana Yojana (PMMVY)
(B) Indira Gandhi National Old Age Pension Scheme (IGNOAPS)
(C) Indira Gandhi National Widow Pension Scheme (IGNWPS)
(D) National Family Benefit Scheme (NFBS)
(E) Answer not known

60. Which of the following sequences best represents the operational setup of a Common Service Centre (CSC) in a rural area?
(A) Provision of e-services → Establishment of IT infrastructure → Registration of a Village Level Entrepreneur (VLE)
(B) Registration of a Village Level Entrepreneur (VLE) → Establishment of IT infrastructure → Provision of e-services
(C) Provision of e-services → Registration of a Village Level Entrepreneur (VLE) → Establishment of IT infrastructure
(D) Establishment of IT infrastructure → Provision of e-services → Registration of a

(E) Answer not known

48. Consider the following services provided by Anganwadi Centres under the ICDS scheme:
I. Supplementary nutrition
II. Pre-school non-formal education
III. Immunisation
IV. Tertiary medical surgeries
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) I, III and IV
(C) I and II
(D) III and IV
(E) Answer not known

49. Arrange the following educational levels in the correct sequential hierarchy as addressed by the Samagra Shiksha scheme, reflecting a child's progression:
I. Upper Primary Education
II. Pre-school / Primary Education
III. Higher Secondary Education
IV. Secondary Education
Which of the following is the correct sequence?
(A) II, I, III, IV
(B) I, II, IV, III
(C) II, I, IV, III
(D) II, IV, I, III
(E) Answer not known

50. In the framework of social protection, how are the Employees' Provident Fund (EPF) and Employees' State Insurance (ESI) primarily classified?
(A) Universal Non-Contributory Schemes
(B) Formal Sector Contributory Social Security Schemes
(C) Informal Sector Voluntary Micro-Insurance
(D) State-funded Social Assistance Programs
(E) Answer not known

51. Which of the following is a direct example of a welfare measure implemented by utilizing an exclusive cess collected by the government?
(A) Building and Other Construction Workers (BOCW) Welfare Board schemes
(B) Indira Gandhi National Old Age Pension Scheme
(C) Annapurna Scheme
(D) Jal Jeevan Mission
(E) Answer not known

52. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): Laying Optical Fibre Cables (OFC) under the BharatNet project is vital for rural connectivity.
Reason (R): OFC networks provide high-speed, reliable, and high-bandwidth broadband connectivity required to seamlessly run modern e-governance and e-health applications in gram panchayats.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

53. Which of the following elements is considered the most crucial indicator of success for the Jal Jeevan Mission at the household level?
(A) Provision of a Functional Household Tap Connection (FHTC) providing regular and safe water.
(B) Large-scale construction of a massive overhead tank located in the center of the village.
(C) Systematic laying of drainage pipes alongside roads to manage liquid waste and overflow.
(D) Distribution of free water storage buckets specifically to BPL families for emergency use.
(E) Answer not known

54. Consider the following statements regarding the e-Shram portal:
I. It is a national database for unorganised workers.
II. It facilitates the delivery of social security schemes to workers in the informal sector.
III. Registration on the portal requires a mandatory fee of Rs. 1000 per worker.
IV. It issues a 12-digit Universal Account Number (UAN) card to registered workers.
V. Migrant workers, gig workers, and domestic workers are eligible to register.
Which of the above statement(s) is/are incorrect?
(A) I, II, IV and V

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(E) Answer not known

67. What is the definition of an 'ODF Plus Village' under the Swachh Bharat Mission Gramin?
(A) A village where every single household has at least two functional toilets with water supply.
(B) A village that generates excess solar energy from its local community-based waste plants.
(C) A village that has become entirely independent of state government funds for all sanitation.
(D) A village sustaining ODF status, ensuring solid and liquid waste management, and being visually clean.
(E) Answer not known

68. What is the specific target demographic age group aimed to be made digitally literate under the Pradhan Mantri Gramin Digital Saksharta Abhiyaan (PMGDISHA)?
(A) 5 to 10 years
(B) 14 to 60 years
(C) Only above 60 years
(D) 10 to 14 years
(E) Answer not known

69. Consider the following statements regarding the economic impacts of constructing all-weather rural roads:
I. It leads to a reduction in the transportation cost of agricultural goods.
II. It increases the vulnerability of rural markets by exposing them to urban competition.
III. It facilitates better access to employment opportunities outside the village.
IV. It enhances access to health and educational institutions, indirectly boosting human capital.
Which of the above statement(s) is/are correct?
(A) I, III and IV
(B) II, III and IV
(C) I and II
(D) I and IV
(E) Answer not known

70. Arrange the typical fund flow and monitoring sequence for Centrally Sponsored social protection schemes under the modern Single Nodal Agency (SNA) framework:
I. Direct Benefit Transfer (DBT) to the beneficiary's bank account
II. Release of Central Share by the Ministry of Rural Development (MoRD) to the State
III. Transfer of funds to the Single Nodal Account (SNA) of the implementing agency
IV. Matching state share contribution by the State Treasury
Which of the following is the correct sequence?
(A) II, IV, III, I
(B) IV, II, III, I
(C) II, III, IV, I
(D) III, II, IV, I
(E) Answer not known

71. How does the Integrated Management of Public Distribution System (IMPDS) practically enable the One Nation One Ration Card (ONORC) scheme?
(A) Providing free transport to migrant workers to return to their home states to collect rations.
(B) Replacing rice and wheat with a universal cash transfer code valid at any private retail store.
(C) Restricting migrant workers to draw rations only from their specific district of original birth.
(D) Linking Aadhaar with ration cards and centralizing the database for ePoS authentication nationwide.
(E) Answer not known

72. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): Convergence with the Integrated Child Development Services (ICDS) scheme is highly emphasized in maternal and child health interventions.
Reason (R): ICDS provides a ready grassroot platform through Anganwadi Centres for delivering supplementary nutrition, immunisation, and health check-ups in coordination with health workers.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct

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II. Ministry of Rural Development
III. Ministry of Women and Child Development
IV. Ministry of Rural Development (Housing Division)

(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-IV, Q-III, R-I, S-II
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

85. Which of the following is correctly matched regarding rural digital empowerment?
(A) Underground cabling - Laying high-speed underground optical fibre across all blocks
(B) Educational aid - Providing modern laptops to underprivileged school children
(C) Common Service Centres - Front-end delivery points for e-governance
(D) Waste monitoring - Monitoring and tracking solid waste management in rural areas
(E) Answer not known

86. Which of the following statements correctly describes the real-time monitoring mechanism introduced under Poshan Abhiyaan?
(A) Using 'Poshan Tracker' for Anganwadi workers to digitally enter service delivery data.
(B) Relying entirely on annual paper-based surveys conducted by visiting medical officers.
(C) Using satellite imagery to estimate the nutritional status of various rural households.
(D) Requiring beneficiaries to upload their blood test results directly to a central portal.
(E) Answer not known

87. Among the following, what is the least likely direct impact of improving rural road infrastructure?
(A) Increased enrollment and attendance in rural schools
(B) Better realization of prices for agricultural commodities
(C) Improved access to timely emergency medical care
(D) Immediate reversal of global climate change trends
(E) Answer not known

88. Consider the following statements about water quality testing under the Jal Jeevan Mission (JJM):
I. The mission completely outsources water testing to private urban laboratories, ignoring village-level testing.
II. Five women from each village are trained to use Field Test Kits (FTKs) for testing water quality at the community level.
III. Chemical and bacteriological contamination of drinking water sources is regularly monitored.

Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

89. Arrange the following landmark educational interventions in India in their correct chronological order of historical launch:
I. Samagra Shiksha Abhiyan
II. Sarva Shiksha Abhiyan (SSA)
III. District Primary Education Programme (DPEP)
IV. Rashtriya Madhyamik Shiksha Abhiyan (RMSA)

Which of the following is the correct chronological sequence?
(A) III, II, IV, I
(B) II, III, I, IV
(C) III, IV, II, I
(D) II, I, IV, III
(E) Answer not known

90. Based on the objective of the e-Shram portal, what can be inferred regarding the future delivery of social protection?
(A) A verified national database will facilitate targeted delivery and portability of social security.
(B) Only workers currently in the organized sector will receive social benefits moving forward.
(C) The portal will be used to automatically deduct income tax from all daily wage labourers.
(D) State welfare boards will be entirely dismantled since the database has been centralized.

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Auxiliary Nurse Midwife (ANM) and one Male Health Worker.
IV. Their primary tasks include maternal and child health, family welfare, nutrition, and immunization.
V. Under Ayushman Bharat, many Sub-Centres are being upgraded to Health and Wellness Centres (HWCs).

Which of the above statement(s) is/are correct?
(A) I, III, IV and V
(B) I, II, III and V
(C) I, II and IV
(D) II, III and IV
(E) Answer not known

79. What is a primary limitation of relying solely on defined-contribution pension schemes (like APY) for social protection of unorganised sector workers?
(A) Offering financial returns that are often excessively high and potentially destabilize the economy.
(B) Being legally restricted from being operated by public sector banks and financial institutions.
(C) Workers with erratic incomes find it difficult to sustain regular monthly premium contributions.
(D) Providing immediate lump sum payouts upon registration instead of a long-term monthly pension.
(E) Answer not known

80. Select the correct sequence representing the logical implementation stages of the Swachh Bharat Mission Gramin (SBM-G) in a village:
(A) Achieving ODF Status → Baseline Survey & Demand Generation → Sustaining ODF → Implementing SLWM (ODF Plus)
(B) Baseline Survey & Demand Generation → Achieving ODF Status → Sustaining ODF → Implementing SLWM (ODF Plus)
(C) Implementing SLWM (ODF Plus) → Baseline Survey & Demand Generation → Achieving ODF Status → Sustaining ODF
(D) Achieving ODF Status → Implementing SLWM (ODF Plus) → Baseline Survey & Demand Generation → Sustaining ODF
(E) Answer not known

81. How is rural connectivity generally classified based on infrastructure domains?
(A) Contributory and Non-Contributory
(B) Primary, Secondary, and Tertiary
(C) Physical (Roads), Digital (Broadband), and Energy (Electrification)
(D) Kharif, Rabi, and Zaid
(E) Answer not known

82. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): The Samagra Shiksha scheme was formed by merging three previously separate educational schemes.
Reason (R): The integration of SSA, RMSA, and Teacher Education provides a learning continuum from pre-school to higher secondary levels without administrative fragmentation.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

83. Which of the following specific vulnerable groups is the target category for the Annapurna Scheme?
(A) Unemployed post-graduates living in rural areas who are seeking government jobs.
(B) Children orphaned due to the COVID-19 pandemic who require state support.
(C) Small and marginal farmers severely affected by drought and crop failure issues.
(D) Destitute senior citizens eligible for old-age pension but remaining uncovered.
(E) Answer not known

84. Match the following rural or social schemes with their nodal implementing Ministry at the Central level:
List I: (Rural/Social Schemes)
P. PMGSY
Q. Jal Jeevan Mission
R. PMAY-G
S. ICDS
List II: (Implementing Ministries)
I. Ministry of Jal Shakti

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determining the prices for rural produce.
(D) A safety net protecting poor households from economic shocks, health crises, and lifecycle risks.
(E) Answer not known

97. In the context of social protection, how is the "cess" collected under the Building and Other Construction Workers (BOCW) Act utilized?
(A) Adding to the general revenue of the Central Government to fund national defense expenditures.
(B) Refunding the collected amount directly to real estate developers as a business incentive.
(C) Funding State Welfare Boards to provide social security for registered construction workers.
(D) Utilizing the entire collection solely for the purpose of building multi-lane national highways.
(E) Answer not known

98. Which of the following is correctly matched regarding the convergence of schemes under PMAY-G?
(A) Material supply - Supplying high-quality asphalt for the construction of the roof of the house.
(B) Employment support - Provision of 90/95 person-days of unskilled wage employment for house construction.
(C) Tax status - Registering the newly constructed house as a functional IT company for tax.
(D) Agricultural insurance - Insuring the various seasonal crops grown in the backyard of the rural premise.
(E) Answer not known

99. Which of the following indicates the correct administrative hierarchy of vigilance and monitoring committees for the Targeted Public Distribution System (TPDS), from the lowest level to the highest?
(A) State level → District level → Block level → Fair Price Shop (FPS) level
(B) Fair Price Shop (FPS) level → Block level → District level → State level
(C) Block level → Fair Price Shop (FPS) level → State level → District level
(D) District level → State level → Block level → Fair Price Shop (FPS) level
(E) Answer not known

100. Consider the following statements in the overall assessment of Rural Infrastructure and Social Protection Programmes in India:
I. Significant achievements have been made in reducing multidimensional poverty through convergence of housing, sanitation, and water schemes.
II. Leakages in PDS have been entirely eliminated without any remaining technological or administrative gaps.
III. Sustaining behavioural change, such as regular use of toilets (ODF sustainability), remains an ongoing challenge.
IV. Social protection for the unorganised sector requires further expansion to bridge coverage gaps.
V. End-to-end computerization and DBT have improved targeting and efficiency in fund delivery.
Which of the above statement(s) is/are correct?
(A) I, III, IV and V
(B) I, II, III and V
(C) II, III and V
(D) I, II and IV
(E) Answer not known

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(E) Answer not known

91. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): The Tamil Nadu government has chosen to retain the Universal Public Distribution System (UPDS) despite the National Food Security Act prescribing a Targeted system.
Reason (R): Universal PDS is deemed administratively simpler, avoids massive exclusion errors, and ensures better nutritional security across the socio-economic spectrum in the state.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

92. Consider the following statements regarding the Swachh Bharat Mission Gramin (SBM-G):
I. It achieved its initial goal of making rural India Open Defecation Free (ODF) by October 2019.
II. It provided a financial incentive primarily to Above Poverty Line (APL) households only.
III. Phase II of SBM-G completely halted the construction of new individual household latrines.
IV. It promotes decentralized solid and liquid waste management systems.
Which of the above statement(s) is/are incorrect?
(A) I, II and IV
(B) II and III
(C) I and IV
(D) III and IV
(E) Answer not known

93. Which of the following categories of workers is generally excluded from mandatory coverage under the Employees' Provident Fund (EPF) Act?
(A) Employees working in an organized manufacturing factory employing 50 workers
(B) Independent casual street vendors operating their own carts
(C) Employees in an IT firm employing 100 professionals
(D) Contract labourers working continuously in a registered formal establishment
(E) Answer not known

94. Match the following rural e-governance services often delivered via Common Service Centres (CSCs) with their descriptions:
List I: (e-governance Services)
P. G2C Services
Q. B2C Services
R. Financial Inclusion Services
S. Educational Services
List II: (Descriptions)
I. Online ticket booking, mobile recharges, and e-commerce
II. Issuance of caste, birth, and income certificates
III. Digital literacy courses like PMGDISHA
IV. Aadhaar Enabled Payment System (AePS) and micro-ATM
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-IV, Q-III, R-I, S-II
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

95. Which of the following pairs is incorrectly matched regarding the components of the Poshan Abhiyaan?
(A) Target Beneficiaries - Children 0-6 years, adolescent girls, pregnant women, and lactating mothers
(B) Technological Component - Poshan Tracker app
(C) Primary Funding Mechanism - Deducting wages from MGNREGA workers
(D) Behavioral Change - Jan Andolan (Community Mobilization)
(E) Answer not known

96. What is the most appropriate reason why social protection is considered critical for vulnerability reduction in rural India?
(A) Encouraging rural-to-urban migration, effectively depopulating all backward and remote areas.
(B) Forcing informal workers to pay heavy taxes to support the established formal sector.
(C) Limiting the role of agricultural markets in

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widows aged 40 to 79. The disability pension scheme covers BPL individuals with at least 80% disability. Lastly, the National Family Benefit Scheme provides lump sum assistance upon the death of a primary breadwinner to the family.

27. (B) A one-time lump sum financial assistance to a BPL household upon the death of its primary breadwinner.
The National Family Benefit Scheme provides a one-time lump sum payment to a household living below the poverty line. This assistance is triggered by the death of the primary breadwinner, who must be between 18 and 59 years of age. The scheme aims to provide immediate financial relief to vulnerable families during a period of crisis and income loss.

28. (B) III and IV
The Annapurna Scheme provides 10 kg of food grains per month free of cost, not 25 kg. It is a government-funded social assistance program rather than a beneficiary-funded initiative. The scheme specifically targets indigent senior citizens who are eligible for the old-age pension under IGNOAPS but are currently not receiving it due to various administrative or budgetary reasons.

29. (B) II, IV, I, III
The PDS supply chain begins with the Food Corporation of India procuring food grains. Subsequently, the Central Government allocates these grains, and State Governments lift their assigned quotas. The grains are then transported to state godowns or civil supplies corporations. Finally, the food grains are distributed to eligible beneficiaries through a network of local Fair Price Shops.

30. (C) To ensure food security portability for migrant workers, allowing access to entitlements anywhere in India.
The primary objective of the One Nation One Ration Card scheme is to ensure the portability of food security benefits. It allows migrant workers and their families to access subsidized food grains from any Fair Price Shop across India. By using Aadhaar-based authentication, the scheme removes geographical barriers, ensuring that the poor do not lose entitlements.

31. (D) Ownership of a smartphone and active social media presence
The Socio-Economic and Caste Census 2011 focused on physical and economic deprivation indicators like housing quality, household composition, and sources of income. Indicators such as living in a single-room kucha house or being a landless casual labourer were critical for welfare targeting. Ownership of a smartphone or social media presence was not a relevant parameter for determining poverty levels.

32. (C) Policies and programs designed to reduce and prevent poverty and vulnerability throughout the life cycle.
Social protection refers to a set of policies and programs designed to reduce and prevent poverty and vulnerability throughout a person's life cycle. It encompasses social insurance, social assistance, and labor market interventions. These measures aim to protect individuals from various risks such as illness, unemployment, and old age, ensuring a basic standard of living for all citizens.

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33. (A) P-II, Q-IV, R-I, S-III
Physical infrastructure includes tangible assets like rural roads and housing. Social infrastructure covers facilities like schools and Primary Health Centres that improve human capital. Digital infrastructure involves BharatNet and Common Service Centres. Economic infrastructure comprises systems that support production and trade, such as agricultural markets and godowns for storing harvested produce. Together, these systems facilitate rural productivity and growth.

34. (A) I, II, III and V
Poshan Abhiyaan is a multi-ministerial mission aimed at reducing stunting, anemia, and under-nutrition. It uses the Poshan Tracker for real-time monitoring of service delivery. The mission also targets a reduction in low birth weight by 2% annually. It does not replace the mid-day meal scheme with cash transfers, as physical nutritional support remains a key component of the intervention.

35. (A) Both A and R are true and R is the correct explanation of A.
The Midday Meal Scheme is a vital component of social infrastructure in rural schools. By providing nutritious meals, it incentivizes parents to send

ANSWERS

1. (B) The physical, social, and economic networks facilitating rural productivity and living standards.
Rural infrastructure encompasses integrated networks of physical, social, and economic systems. These facilities include roads, power, and water supply as physical components. Social infrastructure involves schools and healthcare, while economic networks involve markets and credit facilities. Together, they enhance rural productivity, improve living standards, and drive overall regional development within a nation for all citizens.

2. (A) I and II
Pradhan Mantri Gram Sadak Yojana Phase I initiated all-weather road connectivity for unconnected habitations. Phase II focused on upgrading existing networks to improve efficiency. However, Phase III emphasizes consolidating the existing network by connecting habitations to critical facilities like markets and hospitals. It does not focus on national highways bypassing towns, which are managed under different national programs.

3. (B) 2000
The Government of India launched the Pradhan Mantri Gram Sadak Yojana on December 25, 2000. This flagship program aims to provide single all-weather road connectivity to eligible unconnected habitations in rural areas. It serves as a critical intervention for poverty reduction by improving access to markets, health services, and educational facilities, thereby fostering sustainable rural economic development.

4. (A) P-III, Q-II, R-IV, S-I
Indira Awaas Yojana was an early housing scheme characterized by lower unit costs. Pradhan Mantri Awaas Yojana - Gramin replaced it to provide pucca houses with basic amenities. Awaas Plus identifies households omitted from initial lists, while the Socio-Economic and Caste Census 2011 serves as the base for initial beneficiary selection. These components ensure targeted delivery of housing.

5. (A) Both A and R are true and R is the correct explanation of A.
All-weather roads under the Pradhan Mantri Gram Sadak Yojana significantly enhance agricultural market access. Reliable road networks reduce transportation time and lower freight costs for farmers. Crucially, they minimize the spoilage of perishable produce by ensuring faster delivery to markets. This improved connectivity directly supports higher income levels and rural economic growth, proving the link between infrastructure and productivity.

6. (B) Rs. 1.20 Lakh
Under the Pradhan Mantri Awaas Yojana - Gramin, the unit assistance for house construction is standardized across regions. In plain areas, the government provides financial assistance of Rs. 1.20 lakh per household. For hilly states, difficult areas, and Integrated Action Plan districts, this amount is increased to Rs. 1.30 lakh to cover higher material and labor transportation costs.

7. (B) Indira Gandhi National Widow Pension Scheme - BPL widows aged 40 to 79 years
The Indira Gandhi National Widow Pension Scheme targets widows aged 40 to 79 years living below the poverty line. Other schemes like the old-age pension require beneficiaries to be aged 60 or above. The disability pension specifically targets individuals with severe or multiple disabilities. These programs are part of the broader National Social Assistance Programme managed by the government.

8. (C) Selection based solely on the discretionary recommendation of a local Member of Legislative Assembly.
Beneficiary selection for Pradhan Mantri Awaas Yojana - Gramin is based on objective criteria rather than political discretion. It utilizes Socio-Economic and Caste Census 2011 data to identify housing deprivation. The list is then validated by local Gram Sabhas to ensure transparency. Omissions are rectified through the Awaas Plus survey, effectively excluding discretionary political recommendations from the process.

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explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

73. Which of the following statements is incorrect regarding the erstwhile Indira Awaas Yojana (IAY)?
(A) Launching originally as a specific sub-scheme of the Rural Landless Employment Guarantee Programme.
(B) Providing grants for construction to members of SC/ST groups and all freed bonded labourers.
(C) Providing a unit assistance grant of Rs. 5 Lakhs per house in plain areas.
(D) Facing limitations such as lack of transparency and low overall quality of house construction.
(E) Answer not known

74. Match the following classifications of roads with their primary connectivity function in the rural context:
List I: (Road Classifications)
P. National/State Highways
Q. Major District Roads
R. Other District Roads
S. Village Roads
List II: (Connectivity Functions)
I. Connect rural production areas to main market centres or block headquarters
II. Serve as the main arterial routes facilitating inter-state/intra-state transport
III. Connect individual habitations to each other or to the nearest district road
IV. Connect areas of production and main markets within a district
(A) P-II, Q-IV, R-I, S-III
(B) P-II, Q-I, R-IV, S-III
(C) P-IV, Q-II, R-I, S-III
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

75. Which of the following is correctly matched regarding the core provision of the maternity social protection scheme implemented in Tamil Nadu?
(A) Financial assistance of Rs. 18,000 to poor pregnant women to ensure nutrition and wage loss cover.
(B) Providing specialized pediatric surgeries to all infants born in government-run health facilities.
(C) Supplying free sanitary napkins and health kits to all adolescent girls in rural schools.
(D) Providing paid maternity leave for all software professionals working in urban IT corridors.
(E) Answer not known

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76. In comparing the operational models of PMJJBY and PMSBY, which critical difference must a beneficiary keep in mind?
(A) PMJJBY is intended exclusively for people above sixty, while PMSBY is for minor children.
(B) PMJJBY covers death from any cause, while PMSBY covers accidental death or disability.
(C) PMSBY provides a significantly higher sum assured of Rs. 5 Lakh compared to PMJJBY benefits.
(D) Only PMSBY requires the linking of an Aadhaar-seeded bank account for the enrollment process.
(E) Answer not known

77. Which feature specifically characterizes the "last mile connectivity" aspect of the Saubhagya scheme?
(A) Drawing a cable from a pole to the household, installing a meter, a light point, and a socket.
(B) Installing high-voltage transmission towers connecting major industrial cities with power grids.
(C) Handing over portable diesel generators to every Gram Panchayat for emergency power supply.
(D) Providing electric vehicles to rural sarpanches for administrative travel within the block.
(E) Answer not known

78. Consider the following statements regarding Rural Health Sub-Centres:
I. They are the most peripheral and first point of contact between the primary health care system and the community.
II. A Sub-Centre is strictly required to have an operation theatre for major surgeries.
III. They are generally manned by at least one

mindset and behavior. Therefore, IEC activities are essential to ensure that the provided physical infrastructure is actually utilized by the community for lasting health benefits.

18. (B) Sub-Centre → Primary Health Centre → Community Health Centre
Rural health infrastructure in India follows a three-tier hierarchy based on population coverage. The Sub-Centre is the most peripheral unit, serving the smallest population. Primary Health Centres act as referral units for several Sub-Centres and manage broader services. Community Health Centres occupy the highest level in this rural structure, providing specialized medical care for a much larger population.

19. (A) Front-end delivery points for government, private, and social sector e-services in rural communities.
Common Service Centres function as the primary front-end delivery points for various digital services in rural India. They provide access to government, private, and social sector e-services, bridging the digital divide. Managed by local entrepreneurs, these centers facilitate activities like document issuance, utility payments, and banking, making digital governance accessible to citizens living in remote and underserved areas.

20. (D) II only
BharatNet is designed to provide broadband connectivity to all Gram Panchayats using an optical fibre network, not just wireless radio frequencies. It is the backbone for delivering essential digital services like e-health and e-governance in rural areas. The project aims to empower rural communities by providing high-speed internet access through robust and reliable physical infrastructure across the country.

21. (A) Senior citizens aged above 60 years
The Integrated Child Development Services scheme is a flagship program focused on early childhood care and development. Its primary beneficiaries include children under six years of age, pregnant women, and lactating mothers. It provides a package of services including nutrition, immunization, and pre-school education. Senior citizens are not part of the target demographic for this specific child-centric scheme.

22. (D) Health and Wellness Centre - 5,00,000 population
Health and Wellness Centres are upgraded versions of existing Sub-Centres and Primary Health Centres, thus they do not serve a population as large as 5,00,000. In plain areas, a Sub-Centre typically covers 5,000 people, a PHC covers 30,000, and a CHC covers 1,20,000. HWCs aim to provide comprehensive primary healthcare much closer to the community level.

23. (B) PMJJBY offers life insurance for any death, while PMSBY provides accidental death and disability cover.
Pradhan Mantri Jeevan Jyoti Bima Yojana is a life insurance scheme providing coverage for death due to any cause. In contrast, Pradhan Mantri Suraksha Bima Yojana specifically offers insurance against accidental death and disability. Both schemes require annual premium payments from the subscribers and are linked to bank accounts for automated debits and efficient, transparent claim settlements.

24. (D) A is false but R is true.
The Employees' Provident Fund and Employees' State Insurance schemes are designed for the organised sector, not the unorganised workforce. They operate under strict statutory frameworks that mandate contributions from both employers and employees. While the reason correctly identifies the nature of these schemes, the assertion is false because they do not primarily serve the informal sector workers.

25. (D) Indira Gandhi National Old Age Pension Scheme
The Indira Gandhi National Old Age Pension Scheme is a non-contributory social assistance program. It provides monthly financial support to elderly citizens from below-poverty-line households without requiring them to make prior contributions. Other mentioned schemes like Atal Pension Yojana and Pradhan Mantri Shram Yogi Maan-dhan are contributory, requiring workers to pay premiums to receive future benefits.

26. (A) P-III, Q-IV, R-I, S-II
The Indira Gandhi National Old Age Pension Scheme targets BPL persons aged 60 and above. The widow pension scheme is for BPL

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9. (A) I, II and IV
The Saubhagya Scheme aims for universal household electrification across rural and urban India. It provides free connections to BPL households, while others pay a small fee. In remote areas where grid extension is unfeasible, the scheme utilizes standalone solar photovoltaic systems. It does not focus on establishing large coal power plants for generation, prioritizing last-mile connectivity instead.

10. (A) Entitlements extended to all family cardholders without BPL/APL categorization, minimizing exclusion errors.
Tamil Nadu implements a Universal Public Distribution System, unlike the Targeted system mandated by the National Food Security Act. This model provides essential food grains to all family cardholders without classifying them into poverty categories. Such an approach effectively eliminates exclusion errors and ensures that all citizens have access to subsidized food supplies, regardless of their specific income-based classification.

11. (A) II, IV, I, III
The National Rural Employment Programme began first, followed by the Rural Landless Employment Guarantee Programme. Indira Awaas Yojana, which started as a sub-scheme, became an independent initiative in 1996. Finally, the Pradhan Mantri Awaas Yojana - Gramin was launched in 2016 to revamp rural housing. This sequence reflects the historical evolution of rural development and employment strategies in India.

12. (B) Atal Pension Yojana
Atal Pension Yojana is a contributory social security scheme targeting workers in the unorganised sector. Subscribers must make regular financial contributions based on their age and chosen pension amount. Conversely, the National Family Benefit Scheme and Indira Gandhi National Old Age Pension Scheme are non-contributory social assistance programs funded entirely by the government for eligible beneficiaries without prior contribution.

13. (C) II and III
The Jal Jeevan Mission aims to provide functional household tap connections to all rural homes by 2024, not 2030. Furthermore, the scheme involves a shared funding model between the Central and State governments, rather than placing the entire financial burden on Gram Panchayats. Community monitoring and sustainable water source management through greywater usage remain core pillars of this mission.

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14. (C) Significant exclusion errors where poor households are left out due to flawed targeting criteria.
A major disadvantage of the Targeted Public Distribution System is the high risk of exclusion errors. Flawed targeting criteria or administrative hurdles often prevent deserving poor households from receiving benefits. Unlike universal systems, which cover everyone, targeted systems require precise identification of beneficiaries, which is often difficult to achieve in diverse and dynamic socio-economic environments within various states.

15. (A) P-II, Q-I, R-III, S-IV
The Unorganised Workers Social Security Act was enacted in 2008. The National Food Security Act followed in 2013 to provide legal rights to food. Atal Pension Yojana was launched in 2015 to provide old-age income security. Most recently, the e-Shram portal was introduced in 2021 to create a national database of unorganised workers for better social protection.

16. (C) Implementation of Solid and Liquid Waste Management (SLWM) systems alongside sustained toilet usage.
An ODF Plus village goes beyond the basic status of being open defecation free. It requires the sustained use of toilets by all members of the community. Additionally, the village must implement effective Solid and Liquid Waste Management systems. This includes managing biodegradable waste, plastic waste, and greywater to ensure the entire rural environment remains clean and visually pleasant.

17. (A) Both A and R are true and R is the correct explanation of A.
The Swachh Bharat Mission Gramin prioritized Information, Education, and Communication to drive social change. Merely building toilets is insufficient if people continue traditional practices. Long-term eradication of open defecation requires a fundamental shift in

their children to school, thereby increasing enrollment and attendance. Simultaneously, it addresses malnutrition among children, improving their overall health and cognitive development. This dual impact makes it essential for long-term human resource development in rural India.

36. (B) PMGDISHA - Imparting basic digital literacy to rural households
The Pradhan Mantri Gramin Digital Saksharta Abhiyaan is specifically designed to impart basic digital literacy to rural households. It aims to empower citizens by teaching them to operate digital devices and access government services. While BharatNet provides the underlying connectivity infrastructure and CSCs serve as delivery points, PMGDISHA focuses on the skill development aspect of digital empowerment for individuals.

37. (C) 2008
The Parliament of India passed the Unorganised Workers' Social Security Act in 2008. This landmark legislation provides a framework for the formulation of social security schemes for workers in the informal sector. It addresses various needs such as life and disability cover, health and maternity benefits, and old-age protection, aiming to provide a safety net for millions of workers.

38. (B) SECC Data Identification → Gram Sabha Validation → Geo-tagging of current dwelling → Sanction of House
The finalization of a PMAY-G beneficiary starts with identification using SECC 2011 data. This list is then validated by the Gram Sabha to ensure accuracy. Following validation, the current dwelling of the applicant is geo-tagged to confirm the need for a new house. Once these steps are completed, the final sanction for the house construction is issued to the beneficiary.

39. (A) Rs. 1,000 to Rs. 5,000
Atal Pension Yojana offers subscribers a guaranteed minimum monthly pension after they reach the age of 60. Depending on the contribution amount and the age of entry, beneficiaries can choose a pension level of Rs. 1,000, Rs. 2,000, Rs. 3,000, Rs. 4,000, or Rs. 5,000. This scheme provides essential financial security to workers in the unorganised sector during their old age.

40. (B) I and III
PMGDISHA aims to make one person in every eligible rural household digitally literate, covering the age group of 14 to 60 years. The training includes essential skills like operating digital devices, making digital payments, and accessing government e-services. It is not exclusively for individuals above 60, as it targets the productive and younger age groups in rural villages.

41. (D) Mandating that all water infrastructure be maintained exclusively by the Central Public Works Department.
The Jal Jeevan Mission emphasizes decentralization and community management rather than central maintenance. It empowers Village Water and Sanitation Committees to manage and maintain local water infrastructure. The mission targets 55 liters of water per capita daily and encourages the convergence of various funds to ensure the sustainability of rural water supply systems through active local community participation.

42. (A) Implementing a Universal PDS that provides free rice to all cardholders regardless of poverty lines.
A unique feature of the Tamil Nadu Public Distribution System is its universal nature, providing free rice to all cardholders regardless of their poverty status. This policy goes beyond the Targeted system of the National Food Security Act. By providing subsidized food to the entire population, the state aims to ensure comprehensive food security and prevent nutritional deficiencies.

43. (B) P-III, Q-I, R-IV, S-II
ODF status refers to the absence of visible feces and the use of safe disposal technologies. ODF Plus involves sustaining this status while implementing waste management. Solid and Liquid Waste Management focuses on the safe disposal of various waste types. Information, Education, and Communication is the strategy used to drive the necessary behavior change for effective rural sanitation practices.

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II. Number of live births per 1000 population
III. Number of females per 1000 males
IV. Average number of children born to a woman during her reproductive years
(A) P-IV, Q-I, R-III, S-II
(B) P-I, Q-II, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-IV, Q-III, R-I, S-II
(E) Answer not known

6. Identify the correct sequence of the four stages of the Demographic Transition Theory as experienced by a developing population:
(A) High birth and high death rates → High birth and declining death rates → Declining birth and death rates → Low birth and low death rates
(B) High birth and declining death rates → Low birth and low death rates → High birth and high death rates → Declining birth and death rates
(C) Low birth and low death rates → Declining birth and death rates → High birth and declining death rates → High birth and high death rates
(D) High birth and high death rates → Declining birth and death rates → High birth and declining death rates → Low birth and low death rates
(E) Answer not known

7. Arrange the following poverty estimation committees in India in the correct chronological order of their formation:
1. Tendulkar Committee
2. Rangarajan Committee
3. NITI Aayog MPI Report
(A) 1 - 2 - 3
(B) 2 - 1 - 3
(C) 3 - 2 - 1
(D) 1 - 3 - 2
(E) Answer not known

8. Identify the correctly matched pair of Indian states and their poverty characteristic:
(A) Bihar - High poverty incidence
(B) Kerala - Highest poverty depth
(C) Tamil Nadu - Highest rural poverty
(D) Uttar Pradesh - Lowest multidimensional poverty
(E) Answer not known

9. What is the precise definition of Net Reproduction Rate (NRR) in demography?
(A) The difference between crude birth rate and crude death rate
(B) The number of daughters born to a woman who survive to childbearing age
(C) The total number of children born to a woman minus infant deaths
(D) The replacement level of fertility set exactly at 2.1
(E) Answer not known

10. In which year did India reach the historic demographic milestone of surpassing China to become the world's most populous country?
(A) 2011
(B) 2021
(C) 2023
(D) 2025
(E) Answer not known

11. What was the national child sex ratio (0 to 6 age group) as recorded in the Census 2011?
(A) 943
(B) 918
(C) 927
(D) 940
(E) Answer not known

12. Which of the following statements correctly identifies the primary objective of Mission Parivar Vikas?
(A) To provide subsidized higher education and vocational training for girls in rural areas
(B) To distribute free nutritional food grains to families living below the official poverty line
(C) To target high fertility districts and enhance contraceptive and maternal health services
(D) To eradicate absolute poverty levels within tribal-dominant and geographically remote districts
(E) Answer not known

13. Which of the following statements regarding poverty concepts is incorrect?
(A) Absolute poverty refers to the lack of basic human needs such as food, safe drinking water, and shelter.
(B) Relative poverty measures economic inequality within a society by comparing

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speed, reliable, and high-bandwidth connectivity necessary for modern digital applications. These networks enable Gram Panchayats to seamlessly run e-governance, e-health, and e-education services. Without this robust physical infrastructure, delivering effective and high-quality digital services to remote rural areas would be technologically impossible for the government.

53. (A) Provision of a Functional Household Tap Connection (FHTC) providing regular and safe water.
The most crucial indicator of success for the Jal Jeevan Mission is the provision of a Functional Household Tap Connection. An FHTC ensures that every person in a rural household has access to regular and safe potable water within their premises. This direct access significantly improves the quality of life, reduces the burden of fetching water, and enhances public health.

54. (C) III only
Registration on the e-Shram portal is completely free of cost for all unorganised workers; there is no mandatory registration fee. The portal serves as a national database that issues a 12-digit Universal Account Number to facilitate the delivery of social security benefits. It targets a wide range of informal workers, including migrants, gig workers, and domestic help across India.

55. (B) P-II, Q-I, R-IV, S-III
PMJJBY has an annual premium of Rs. 436, while PMSBY requires only Rs. 20 per annum. Atal Pension Yojana contributions vary based on the subscriber's age and the target pension amount. The ESI scheme involves shared contributions between employers and employees in the formal sector. These norms determine the financial commitment required for participation in each social security program for workers.

56. (B) Additional 5 kg of free food grains per person per month to NFSA beneficiaries.
The Pradhan Mantri Garib Kalyan Anna Yojana provides an additional 5 kg of free food grains per person per month to all beneficiaries covered under the National Food Security Act. This scheme was launched to provide extra nutritional support to the poor during times of economic distress, ensuring that no household goes hungry due to income loss during crises.

57. (A) Entitling up to 75% of the rural population and 50% of the urban population to subsidized grains.
The National Food Security Act of 2013 legally mandates the coverage of up to 75% of the rural population and up to 50% of the urban population. These eligible individuals are entitled to receive subsidized food grains through the Public Distribution System. This broad coverage aims to provide nutritional security to a significant portion of the Indian population living in vulnerability.

58. (A) A mix of non-contributory social assistance and contributory schemes for unorganised and formal workers.
India's national strategy for vulnerability reduction involves a comprehensive mix of non-contributory social assistance and contributory social security schemes. Social assistance programs like old-age pensions support the destitute, while contributory schemes like the Employees' Provident Fund and Atal Pension Yojana target formal and informal workers respectively. This multi-layered approach aims to cover different segments of the population against various lifecycle risks.

59. (A) Pradhan Mantri Matru Vandana Yojana (PMMVY)
The Pradhan Mantri Matru Vandana Yojana is a maternity benefit scheme and not a component of the National Social Assistance Programme. NSAP currently includes five main schemes: the old-age pension, widow pension, disability pension, National Family Benefit Scheme, and the Annapurna Scheme. These programs provide social assistance to BPL households to ensure a basic level of subsistence for citizens.

60. (B) Registration of a Village Level Entrepreneur (VLE) → Establishment of IT infrastructure → Provision of e-services
The operational setup of a Common Service Centre begins with the registration of a Village Level Entrepreneur. The VLE then establishes the necessary IT infrastructure, such as computers and internet connectivity, at the local level. Once the infrastructure is ready, the center begins

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providing various e-governance and business services to the rural community, completing the digital service delivery chain.

61. (A) To capture details of eligible households left out of the SECC 2011 housing list.
The 'Awaas Plus' survey was specifically conducted to identify eligible rural households that were not included in the original SECC 2011 housing list. This initiative ensures that deserving families who meet the deprivation criteria but were missed during the initial census still have an opportunity to receive a pucca house with basic amenities under the PMAY-G scheme for rural development.

62. (C) I only
The Indira Gandhi National Widow Pension Scheme is not a universal program; it is strictly limited to widows living in households below the poverty line. The age eligibility for this scheme is between 40 and 79 years. Providing benefits to all widows regardless of financial status would contradict the scheme's objective of targeting social assistance to the most vulnerable members.

63. (A) Both A and R are true and R is the correct explanation of A.
Phase III of the PMGSY focuses on consolidating and upgrading the existing rural road network rather than creating new links. This shift occurred because most eligible unconnected habitations were already provided with all-weather roads in earlier phases. Upgrading major rural links is now necessary to improve the speed and efficiency of connecting these habitations to markets, schools, and hospitals.

64. (B) Rs. 20,000
Under the National Family Benefit Scheme, the government provides a lump sum financial assistance of Rs. 20,000 to a BPL household. This amount is paid upon the death of the primary breadwinner, aged between 18 and 59. The payment is designed to help the surviving family members cope with the sudden loss of income and maintain their basic livelihood during crises.

65. (A) P-III, Q-I, R-IV, S-II
Antyodaya Anna Yojana households receive a fixed 35 kg of food grains monthly. Priority Households are entitled to 5 kg per person. Pregnant and lactating women receive maternity benefits and meals. Children aged 6 months to 14 years are provided with meals according to specific nutritional standards. These entitlements ensure diverse nutritional support for different vulnerable groups across the entire country.

66. (B) Health and Wellness Centre (HWC) - Focus exclusively on major organ transplants
Health and Wellness Centres are designed to provide comprehensive primary healthcare and do not focus on major organ transplants, which are complex tertiary medical procedures. HWCs provide essential services like maternal care, immunization, and screening for non-communicable diseases. Organ transplants are exclusively performed in specialized tertiary care hospitals equipped with the necessary surgical infrastructure and medical expertise.

67. (D) A village sustaining ODF status, ensuring solid and liquid waste management, and being visually clean.
An ODF Plus village is one that has successfully sustained its open defecation free status. Beyond this, the village must effectively manage its solid and liquid waste, ensuring that the entire area is visually clean and environmentally safe. This involves implementing systematic processes for handling biodegradable waste, plastic waste, and greywater at the community level for better health.

68. (B) 14 to 60 years
The Pradhan Mantri Gramin Digital Saksharta Abhiyaan targets individuals in the age group of 14 to 60 years. This demographic represents the most economically active and educationally receptive portion of the rural population. By providing digital literacy to this group, the scheme aims to improve their employability and enable them to participate more effectively in the modern digital economy.

69. (A) I, III and IV
Constructing all-weather rural roads reduces transportation costs and improves access to employment, healthcare, and education. These factors collectively enhance the quality of life and human capital in rural areas. While improved roads might increase market competition, they are generally seen as beneficial for local

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economies rather than a source of vulnerability for rural producers and traders in the long run.

70. (A) II, IV, III, I
In the modern fund flow framework, the Central Ministry first releases its share to the State. The State Treasury then adds the matching state share. These combined funds are transferred to the Single Nodal Account of the implementing agency. Finally, the money is disbursed directly to the beneficiary's bank account through the Direct Benefit Transfer system to ensure transparency.

71. (D) Linking Aadhaar with ration cards and centralizing the database for ePoS authentication nationwide.
The Integrated Management of Public Distribution System enables the One Nation One Ration Card scheme by centralizing the beneficiary database. By linking Aadhaar with ration cards, the system allows for biometric authentication at any electronic Point of Sale device nationwide. This technological integration ensures that a beneficiary's identity and entitlements can be verified and updated in real-time across various states.

72. (A) Both A and R are true and R is the correct explanation of A.
Convergence with the ICDS scheme is essential for effective maternal and child health interventions. Anganwadi Centres provide an established grassroots platform that reaches into every village. These centers facilitate the delivery of supplementary nutrition and health services in coordination with healthcare workers. Using this existing network ensures that health programs are implemented efficiently and reach the most remote populations.

73. (C) Providing a unit assistance grant of Rs. 5 Lakhs per house in plain areas.
The unit assistance grant for the Indira Awaas Yojana was significantly lower than Rs. 5 lakhs. In its later years, the grant was around Rs. 70,000 for plain areas and Rs. 75,000 for hilly or difficult areas. The scheme eventually faced challenges such as limited transparency and low construction quality, leading to its replacement by the more comprehensive PMAY-G.

74. (A) P-II, Q-IV, R-I, S-III
National and State Highways act as arterial routes for long-distance transport. Major District Roads connect production areas and markets within a district. Other District Roads link rural production areas to block headquarters or main market centers. Village Roads serve the most local function, connecting individual habitations to each other or to the nearest district-level road in the rural network.

75. (A) Financial assistance of Rs. 18,000 to poor pregnant women to ensure nutrition and wage loss cover.
Tamil Nadu implements a maternity social protection scheme that provides Rs. 18,000 in financial assistance to poor pregnant women. This grant is designed to ensure proper nutrition during pregnancy and cover the loss of wages. By providing this financial support, the state aims to improve maternal health outcomes and reduce infant mortality among vulnerable socio-economic groups in the region.

76. (B) PMJJBY covers death from any cause, while PMSBY covers accidental death or disability.
A critical difference between the two schemes is the nature of the coverage. Pradhan Mantri Jeevan Jyoti Bima Yojana provides life insurance for death due to any reason. However, Pradhan Mantri Suraksha Bima Yojana is strictly limited to coverage for death or disability resulting from an accident. Beneficiaries must understand this distinction when choosing their insurance options for financial security.

77. (A) Drawing a cable from a pole to the household, installing a meter, a light point, and a socket.
Last mile connectivity under the Saubhagya scheme involves the physical connection of a household to the electric grid. This process includes drawing a service cable from the nearest electricity pole to the house. It also involves installing an electricity meter, a light point with a bulb, and a power socket to ensure the household can immediately use electricity safely.

78. (A) I, III, IV and V
Sub-Centres are the first point of contact between the health system and the community. They are staffed by Auxiliary Nurse Midwives and handle basic maternal and child health

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tasks. These units are currently being upgraded to Health and Wellness Centres. They are not equipped for major surgeries, which require the more advanced facilities and specialists found in Community Health Centres.

79. (C) Workers with erratic incomes find it difficult to sustain regular monthly premium contributions.
A primary limitation of defined-contribution schemes for unorganised workers is the requirement for regular premium payments. Many informal workers have erratic or seasonal incomes, making it difficult to maintain consistent monthly contributions over a long period. If they fail to pay their premiums, they risk losing their benefits or facing penalties, which undermines the scheme's social protection goals for them.

80. (B) Baseline Survey & Demand Generation → Achieving ODF Status → Sustaining ODF → Implementing SLWM (ODF Plus)
The logical progression for SBM-G in a village begins with a baseline survey and creating demand for toilets through awareness. Once toilets are built and used, the village achieves ODF status. The next stage involves sustaining this behavior to prevent relapses. Finally, the village implements solid and liquid waste management systems to achieve the advanced ODF Plus status for cleanliness.

81. (C) Physical (Roads), Digital (Broadband), and Energy (Electrification)
Rural connectivity is broadly classified into three main domains based on infrastructure types. Physical connectivity refers to the network of all-weather roads. Digital connectivity involves broadband and internet access through projects like BharatNet. Energy connectivity relates to household electrification under schemes like Saubhagya. Together, these three forms of connectivity are essential for the comprehensive development of modern rural areas.

82. (A) Both A and R are true and R is the correct explanation of A.
The Samagra Shiksha scheme was created by merging Sarva Shiksha Abhiyan, Rashtriya Madhyamik Shiksha Abhiyan, and Teacher Education. This integration aims to treat school education as a single learning continuum from pre-school to the higher secondary level. By removing administrative fragmentation between different educational stages, the scheme ensures a more holistic and efficient approach to improving school education for children.

83. (D) Destitute senior citizens eligible for old-age pension but remaining uncovered.
The Annapurna Scheme specifically targets destitute senior citizens who meet the eligibility criteria for the old-age pension under IGNOAPS but are not currently receiving it. These individuals are often the most vulnerable as they lack both a steady income and social support. The scheme provides them with free food grains to ensure their basic nutritional needs are met monthly.

84. (A) P-II, Q-I, R-IV, S-III
The Ministry of Rural Development implements PMGSY and its Housing Division handles PMAY-G. The Ministry of Jal Shakti is responsible for the Jal Jeevan Mission, focusing on rural water supply. The Ministry of Women and Child Development oversees the Integrated Child Development Services scheme, which provides essential nutrition and care for children and mothers at the village level.

85. (C) Common Service Centres - Front-end delivery points for e-governance
Common Service Centres are correctly identified as the front-end delivery points for e-governance services in rural India. They serve as the interface through which citizens can access various digital government and business services. While other options describe general digital or infrastructure concepts, the CSC model is a specific and central component of the national strategy for rural digital empowerment across India.

86. (A) Using 'Poshan Tracker' for Anganwadi workers to digitally enter service delivery data.
Poshan Abhiyaan utilizes real-time technology for monitoring nutritional service delivery through the 'Poshan Tracker' application. Anganwadi workers use this mobile app to enter data on beneficiary height, weight, and the distribution of supplementary nutrition. This digital system allows for immediate tracking of progress and helps identify areas requiring urgent intervention, ensuring greater accountability and efficiency in nutrition management.

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87. (D) Immediate reversal of global climate change trends
Improving rural road infrastructure has significant positive impacts on school attendance, agricultural price realization, and access to emergency medical care. However, it is not a direct or immediate solution for reversing global climate change trends. While better roads might affect transportation emissions, their primary policy objective is socio-economic development rather than the immediate mitigation of global environmental shifts.

88. (B) II and III
The Jal Jeevan Mission emphasizes community-level water quality monitoring by training five women in each village to use Field Test Kits. This approach ensures regular monitoring of chemical and bacteriological contamination at the source. The mission does not outsource all testing to private urban labs, but instead builds local capacity to ensure that drinking water remains safe.

89. (A) III, II, IV, I
The District Primary Education Programme was launched first in 1994, followed by the Sarva Shiksha Abhiyan in 2001. The Rashtriya Madhyamik Shiksha Abhiyan was introduced in 2009 to address secondary education. Finally, these schemes were merged into the comprehensive Samagra Shiksha Abhiyan in 2018. This timeline reflects the progressive expansion of the government's focus on different educational levels.

90. (A) A verified national database will facilitate targeted delivery and portability of social security.
The creation of the e-Shram portal implies that the future delivery of social protection will be more targeted and portable. A verified national database allows the government to identify unorganised workers accurately and ensure that benefits reach them regardless of their location. This system facilitates the seamless transfer of social security entitlements, particularly benefiting migrant workers who move frequently.

91. (A) Both A and R are true and R is the correct explanation of A.
Tamil Nadu has maintained its Universal Public Distribution System to ensure broad nutritional security. This model is administratively simpler as it avoids the complex and often error-prone process of categorizing households by income. By providing subsidized food to everyone, the state effectively eliminates the risk of excluding poor families who might otherwise fall through the gaps of targeting.

92. (B) II and III
The Swachh Bharat Mission Gramin provided financial incentives primarily to BPL and specific categories of APL households, not all APL families. Furthermore, Phase II of the mission does not halt the construction of individual household latrines; it continues to support new constructions while adding a focus on waste management. The mission successfully declared rural India ODF by October 2019.

93. (B) Independent casual street vendors operating their own carts
Independent casual street vendors are generally excluded from mandatory EPF coverage because they are self-employed and do not work in a registered establishment with an employer-employee relationship. The EPF Act applies to employees in formal establishments, including manufacturing units and IT firms, that meet specific workforce size thresholds. Self-employed workers must rely on voluntary social security schemes.

94. (A) P-II, Q-I, R-IV, S-III
G2C services include issuing government certificates like caste and income documents. B2C services cover business-to-consumer activities like mobile recharges and e-commerce. Financial inclusion services involve Aadhaar-enabled payments and micro-ATMs. Educational services provided through CSCs include digital literacy courses like PMGDISHA, which help rural residents navigate the digital world and access essential online resources for their empowerment.

95. (C) Primary Funding Mechanism - Deducting wages from MGNREGA workers
Poshan Abhiyaan is a government-funded mission and does not involve deducting wages from MGNREGA workers to fund its activities. The program targets children, adolescent girls, and mothers, using technology like the Poshan

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Tracker and community mobilization to improve nutrition. Funding is provided through central and state budget allocations and occasionally from international development agencies to ensure better health.

96. (D) A safety net protecting poor households from economic shocks, health crises, and lifecycle risks.
Social protection is critical in rural India because it serves as a safety net for poor households. It protects them from the devastating effects of economic shocks, health crises, and various lifecycle risks such as old age or disability. By providing a basic level of income and services, social protection prevents families from falling deeper into poverty during crises.

97. (C) Funding State Welfare Boards to provide social security for registered construction workers.
The cess collected under the Building and Other Construction Workers Act is used specifically to fund State Welfare Boards. These boards use the money to provide social security and welfare benefits to registered construction workers. This includes assistance for health, accidents, maternity, and old age, ensuring that the workers who build national infrastructure are themselves protected by dedicated safety.

98. (B) Employment support - Provision of 90/95 person-days of unskilled wage employment for house construction.
A key feature of PMAY-G is its convergence with MGNREGA, which provides the beneficiary with 90 to 95 person-days of unskilled wage employment for constructing their own house. This integration provides additional financial support to the household. Other forms of convergence include assistance for toilet construction under SBM-G and access to clean energy through the Ujjwala and Saubhagya schemes.

99. (B) Fair Price Shop (FPS) level → Block level → District level → State level
The administrative hierarchy of vigilance and monitoring committees for the PDS starts at the most local level, which is the Fair Price Shop. These committees then scale up to the Block level, followed by the District level. The State level committee sits at the top of this hierarchy, overseeing the entire distribution system and ensuring accountability and transparency.

100. (A) I, III, IV and V
India has made progress in reducing poverty through the convergence of various welfare schemes. However, challenges like sustaining toilet use and expanding social protection for the unorganised sector remain. While technology and DBT have significantly improved efficiency and reduced leakages in the PDS, it is incorrect to claim that all gaps and leakages have been entirely and permanently eliminated.

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CHAPTER 17

Social Problems, Population and Poverty in India

1. Consider the following statements regarding the Tendulkar Committee on poverty estimation:
I. It shifted the basis of poverty estimation from a calorie-based model to a consumption-based model.
II. It fixed the poverty line at 32 rupees per day for urban areas and 26 rupees per day for rural areas.
III. It estimated the national poverty rate at 29.5 percent, which was higher than the Rangarajan estimate.
Which of the given statements is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

2. Consider the following statements about the Multidimensional Poverty Index (MPI) in India:
I. It measures deprivations across health, education, and standard of living.
II. The NITI Aayog is responsible for publishing the National MPI in India.
III. According to the 2023 India MPI report, approximately 415 million people escaped poverty in 15 years.
IV. State rankings indicate that Kerala and Tamil Nadu have the highest multidimensional poverty incidence.
Which of the given statements are correct?
(A) I, II and III
(B) II, III and IV
(C) I and IV
(D) II and III
(E) Answer not known

3. Consider the following statements regarding the Census 2011 and population metrics in India:
I. The national sex ratio was recorded as 943 females per 1000 males.
II. The child sex ratio (0 to 6 age group) stood at 918, indicating a historical decline.
III. The Census of India is a decadal exercise.
IV. The 2011 Census was the first fully digital census conducted in India.
V. The Beti Bachao Beti Padhao scheme was later introduced as a response to the declining child sex ratio.
Which of the given statements are correct?
(A) I, II, III and V
(B) II, III, IV and V
(C) I, III and V
(D) II, IV and V
(E) Answer not known

4. Read the following Assertion and Reason statements and select the correct option:
Assertion (A): India's demographic dividend represents a unique window of opportunity that is estimated to last until 2055.
Reason (R): India possesses a high proportion of population in the working-age group relative to the dependent young and old age groups.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

5. Match the demographic terms in List I with their definitions in List II:
List I: (Demographic Terms)
P. Total Fertility Rate
Q. Dependency Ratio
R. Sex Ratio
S. Birth Rate
List II: (Definitions)
I. Ratio of youth and old age population to the working-age population

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44. (A) Both A and R are true and R is the correct explanation of A.
Common Service Centres are vital for rural digital empowerment as they provide assisted access to e-services. Many rural citizens lack personal internet connections or the necessary digital skills to navigate online government portals. Village Level Entrepreneurs manage these centres, acting as intermediaries who bridge the digital gap by helping local residents access certificates, payments, and other essential digital resources.

45. (A) Increasing supply chain transparency and digitizing databases to significantly plug leakages.
End-to-end computerisation of the Public Distribution System significantly improves supply chain transparency. By digitizing beneficiary databases and tracking grain movement in real-time, the government can effectively identify and plug leakages. This ensures that subsidized food grains reach the intended recipients instead of being diverted, thereby improving the overall efficiency and accountability of the food security framework across the country.

46. (C) Shifting the focus to Comprehensive Primary Health Care, including maternal and non-communicable diseases.
Health and Wellness Centres under Ayushman Bharat mark a shift towards providing Comprehensive Primary Health Care. Unlike traditional sub-centres that focused primarily on maternal and child health, HWCs address a wider range of services, including non-communicable diseases and mental health. This approach brings essential healthcare services closer to rural communities, reducing the burden on secondary and tertiary medical facilities.

47. (D) Ensuring nutritional support and increasing school retention among primary children.
Rural education infrastructure includes initiatives like the PM POSHAN scheme, which provides nutritional support to children in schools. This support is crucial for improving student health and increasing school retention and attendance rates. By addressing the basic nutritional needs of children, the government ensures that they are better prepared to learn and remain in the educational system for longer.

48. (A) I, II and III
Anganwadi Centres under the ICDS scheme provide a range of basic services including supplementary nutrition, immunisation, and pre-school non-formal education. These centers act as the primary hub for child care and maternal health at the village level. They do not provide tertiary medical surgeries, which are handled by specialized hospitals at the district or state level with surgical facilities.

49. (C) II, I, IV, III
The Samagra Shiksha scheme covers a child's education in a continuous sequence. It begins with pre-school and primary education, followed by upper primary education. The child then progresses to the secondary level and finally completes the cycle at the higher secondary level. This integrated framework ensures a seamless transition between different stages of schooling under a single administrative umbrella for children.

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50. (B) Formal Sector Contributory Social Security Schemes
The Employees' Provident Fund and Employees' State Insurance are classified as formal sector contributory social security schemes. They require regular financial contributions from both the employee and the employer. These programs are governed by specific laws and provide benefits like retirement funds, medical insurance, and disability cover, but they are limited to establishments meeting certain size and wage criteria.

51. (A) Building and Other Construction Workers (BOCW) Welfare Board schemes
The Building and Other Construction Workers Welfare Board schemes are funded through a specific welfare cess collected from construction projects. This cess is a dedicated tax levied on the cost of construction, which is then utilized exclusively for the social security and welfare of registered construction workers. This ensures a sustainable funding mechanism for protecting a highly vulnerable informal workforce.

52. (A) Both A and R are true and R is the correct explanation of A.
Laying optical fibre cables is the cornerstone of the BharatNet project. OFC provides the high-

individual income to the population average.
(C) Feminisation of poverty indicates that a disproportionate percentage of people living in poverty are women.
(D) The multidimensional poverty index only uses calorie consumption to determine deprivation.
(E) Answer not known

14. Which of the following is NOT typically considered a consequence of catastrophic health spending?
(A) Deepening of intergenerational poverty traps
(B) Depletion of household savings and assets
(C) Increase in the state's total demographic dividend
(D) High out-of-pocket expenditure driving families into debt
(E) Answer not known

15. Consider the following statements about rural-urban migration in India:
I. It is primarily driven by push factors in rural areas such as landlessness and low productivity, and pull factors in urban areas like employment.
II. Remittances sent back by internal migrants have no significant economic impact on their home states.
III. It contributes to increased pressure on urban infrastructure, often resulting in the formation of slums.
Which of the given statements is/are incorrect?
(A) I and II
(B) II only
(C) I and III
(D) III only
(E) Answer not known

16. Consider the following goals of the National Population Policy (NPP) 2000:
I. Addressing the unmet needs for basic reproductive and child health services.
II. Achieving a stable population by the year 2045.
III. Implementing coercive sterilisation measures across high fertility states.
IV. Bringing the Total Fertility Rate to the replacement level of 2.1.
Which of the given combinations of statements are correct?
(A) I, II and IV
(B) II, III and IV
(C) I and III
(D) I and IV
(E) Answer not known

17. Consider the following structural causes contributing to poverty in India:
I. Caste-based social discrimination preventing equal access to resources.
II. Gender inequality leading to women's asset poverty.
III. High industrial productivity in rural agriculture.
IV. Social exclusion of tribal populations.
V. Lack of inclusive growth models in remote geographical regions.
Which of the given statements represent valid structural causes?
(A) I, II, IV and V
(B) I, II, III and IV
(C) I, III and V
(D) II, III and V
(E) Answer not known

18. Read the following Assertion and Reason statements and select the correct option:
Assertion (A): Tamil Nadu has experienced a significant decline in poverty over recent decades compared to many northern states.
Reason (R): The state has implemented effective social protection schemes, universal public distribution systems, and targeted health and education programs.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

19. Match the Poverty Line criteria in List I with their daily per capita monetary values in List II:
List I: (Poverty Line Criteria)
P. Tendulkar Committee Urban
Q. Tendulkar Committee Rural
R. Rangarajan Committee Urban
S. Rangarajan Committee Rural
List II: (Daily Per Capita Monetary Values)

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government food interventions.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

61. Match the Indexes/Reports in List I with their primary issuing bodies or focus in List II:
List I: (Indexes/Reports)
P. National Multidimensional Poverty Index
Q. Global Hunger Index
R. Socio-Economic Caste Census 2011
S. Decadal Census of India
List II: (Primary Issuing Bodies or Focus)
I. NITI Aayog
II. Malnutrition and child stunting
III. Deprivation-based beneficiary identification
IV. Registrar General and Census Commissioner
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

62. Select the correct chronological sequence of policies addressing population and family planning in India:
(A) First National Family Planning Programme → Era of coercive sterilisation → National Population Policy 2000 → Mission Parivar Vikas
(B) Era of coercive sterilisation → First National Family Planning Programme → Mission Parivar Vikas → National Population Policy 2000
(C) National Population Policy 2000 → Mission Parivar Vikas → First National Family Planning Programme → Era of coercive sterilisation
(D) First National Family Planning Programme → National Population Policy 2000 → Era of coercive sterilisation → Mission Parivar Vikas
(E) Answer not known

63. Arrange the following components used to calculate the Multidimensional Poverty Index (MPI) into the broad dimensions they represent:
1. Nutrition and Child Mortality
2. Years of Schooling and Attendance
3. Cooking fuel, Sanitation, and Drinking water
(A) 1 (Health) - 2 (Education) - 3 (Living Standards)
(B) 2 (Health) - 1 (Education) - 3 (Living Standards)
(C) 3 (Health) - 2 (Education) - 1 (Living Standards)
(D) 1 (Living Standards) - 2 (Health) - 3 (Education)
(E) Answer not known

64. Identify the correctly matched pair linking a social issue to its economic consequence:
(A) Increased female literacy - Consistently resulting in higher regional fertility rates.
(B) High dependency ratio - Leading to the immediate realization of the demographic dividend.
(C) Rural landlessness - Causing a significant and permanent decrease in urban migration levels.
(D) High out-of-pocket health expenditure - Resulting in catastrophic household spending and debt.
(E) Answer not known

65. How is "Relative Poverty" best defined in the context of economic inequality?
(A) Poverty measured by comparing an individual's living conditions to the average standard of their society.
(B) A state of deprivation defined as living below the international standard of 2.15 dollars per day.
(C) The physical inability to consume a minimum of 2400 calories daily within designated rural areas.
(D) A statistical index indicating the absolute number of registered slums located in urban megacities.
(E) Answer not known

66. Under the historical calorie-based poverty estimation methodology, what was the daily calorie requirement set for rural areas?
(A) 2100 calories
(B) 2400 calories
(C) 1800 calories

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employment.
(C) Rural poverty is often linked to landlessness and low agricultural productivity.
(D) Migration from rural to urban areas transfers some rural poverty to urban centers.
(E) Answer not known

28. Which among the following is NOT typically considered a cause of poverty in India?
(A) High levels of unemployment and underemployment
(B) Social exclusion based on caste and gender
(C) Demographic dividend realisation through skill development
(D) Catastrophic out-of-pocket health expenditure
(E) Answer not known

29. Consider the following statements about remittances to India:
I. India is the largest remittance-receiving country in the world, largely due to its vast diaspora.
II. Kerala is one of the highest remittance-receiving states due to substantial migration to Gulf countries.
III. Remittances have no role in poverty alleviation in the receiving states.
Which of the given statements is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

30. Consider the following statements regarding the Reproductive and Child Health (RCH) programme:
I. It aims to reduce infant mortality and maternal mortality rates.
II. It promotes family planning exclusively through coercive sterilisation methods.
III. It integrates maternal health, child health, and voluntary family planning services.
IV. It plays a critical role in addressing unmet needs for contraception.
Which of the given statements are correct?
(A) I, III and IV
(B) II, III and IV
(C) I and IV
(D) II and III
(E) Answer not known

31. Consider the following statements regarding the ageing population in India:
I. The proportion of elderly people is rising due to an increase in life expectancy and a decline in fertility.
II. An ageing population presents challenges such as an increased pension burden on the government.
III. The healthcare system will face new challenges focused on geriatric care and chronic diseases.
IV. India's demographic dividend window will eventually close as the population ages.
V. The dependency ratio will strictly decrease continuously after the year 2055.
Which of the given statements are correct?
(A) I, II, III and IV
(B) II, III, IV and V
(C) I, III and V
(D) II, IV and V
(E) Answer not known

32. Read the following Assertion and Reason statements and select the correct option:
Assertion (A): India has historically witnessed a decline in the child sex ratio.
Reason (R): Strong son preference, combined with the misuse of medical technology for sex determination, has contributed to this decline.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

33. Match the Government Programs in List I with their core objectives in List II:
List I: (Government Programs)
P. Beti Bachao Beti Padhao
Q. Mission Parivar Vikas
R. SECC 2011
S. PMAY (Urban)
List II: (Core Objectives)
I. Improving the child sex ratio
II. Accelerating family planning in high fertility districts
III. Identifying deprivation criteria for targeted

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welfare
IV. Providing basic services and housing for the urban poor
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

34. Select the correct sequence of states reflecting the transition from higher poverty incidence to lower poverty incidence:
(A) Bihar → Uttar Pradesh → Maharashtra → Kerala
(B) Kerala → Maharashtra → Uttar Pradesh → Bihar
(C) Bihar → Kerala → Uttar Pradesh → Maharashtra
(D) Maharashtra → Uttar Pradesh → Bihar → Kerala
(E) Answer not known

35. Arrange the following demographic phenomena logically to represent a successful population stabilization process:
1. High Total Fertility Rate (TFR)
2. Adoption of voluntary family planning programmes
3. Achieving replacement level fertility of 2.1
4. Realising population stabilization
(A) 1 - 2 - 3 - 4
(B) 2 - 1 - 4 - 3
(C) 1 - 3 - 2 - 4
(D) 4 - 3 - 2 - 1
(E) Answer not known

36. Identify the correctly matched pair representing migration dynamics:
(A) Push factor - Superior educational facilities and modern infrastructure in metro cities.
(B) Pull factor - Chronic lack of stable employment and resources in underdeveloped rural areas.
(C) International migration - Internal movement of seasonal labour from the state of Bihar to Punjab.
(D) Remittances - Financial transfers made by migrants back to their home region
(E) Answer not known

37. Which of the following best defines the 'Demographic Dividend'?
(A) The mandatory financial subsidy provided by the state to families living below the national poverty line.
(B) Economic growth potential resulting from shifts in population age structure favoring the working-age share.
(C) The legally required annual dividend paid by the central government to registered senior citizens.
(D) The calculated mathematical difference between the crude birth rate and the crude death rate in a year.
(E) Answer not known

38. According to the Rangarajan Committee (2014), what was the estimated percentage of the population living below the poverty line in India?
(A) 21.9 percent
(B) 29.5 percent
(C) 5.0 percent
(D) 41.5 percent
(E) Answer not known

39. According to the Demographic Transition Theory, in which stage is India currently positioned?
(A) Stage One: High stationary phase with high birth and death rates.
(B) Stage Two: Early expanding phase with high birth and low death rates.
(C) Stage Three: Late expanding with declining fertility
(D) Stage Four: Low stationary phase with low birth and death rates.
(E) Answer not known

40. Which statement best defines the concept of the 'Feminisation of Poverty'?
(A) The disproportionate representation of women among the poor due to unequal access to resources and assets.
(B) A socio-economic phenomenon where absolute poverty is predominantly concentrated among the urban male population.
(C) A statistical trend showing significantly higher literacy rates among poor women compared to wealthy men.

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(D) A policy-driven outcome where family planning regulations have strictly impoverished women in rural areas.
(E) Answer not known

41. Which of the following statements regarding the history of family planning in India is incorrect?
(A) India was one of the first countries in the world to launch a national program for family planning in 1952.
(B) The current approach under the National Population Policy is strictly coercive with mandated two-child norms.
(C) The period of the Emergency saw a highly controversial coercive sterilisation drive.
(D) Post-2000 policies heavily emphasize voluntary, informed choice and reproductive health.
(E) Answer not known

42. Which of the following was NOT identified as a primary goal of the National Population Policy 2000?
(A) Addressing unmet needs for contraception
(B) Imposing a strict one-child policy with legal penalties
(C) Achieving population stabilisation by 2045
(D) Reducing infant and maternal mortality rates
(E) Answer not known

43. Consider the following statements about the Census of India:
I. The 2011 Census provided crucial data on India's decadal growth rate and demographic distribution.
II. The Census 2021 was delayed primarily due to the global COVID-19 pandemic.
III. The Census exercises in India have always been conducted digitally since 1951.
Which of the given statements is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

44. Consider the following statements based on the Periodic Labour Force Survey (PLFS) and migration:
I. Interstate migration is a major component of internal mobility in India.
II. Major migration corridors exist from states like UP and Bihar towards industrialised states like Maharashtra and Tamil Nadu.
III. Migrant workers often face issues related to housing, social security, and informal employment.
IV. Internal migration strictly decreases the economic output of destination states.
Which of the given statements are correct?
(A) I, II and III
(B) II, III and IV
(C) I and IV
(D) II and III
(E) Answer not known

45. Consider the following statements regarding the Global Hunger Index (GHI) and its controversy in India:
I. The GHI measures hunger using indicators like undernourishment, child stunting, child wasting, and child mortality.
II. India's ranking in recent GHI reports has been low, indicating severe challenges.
III. The Indian government has disputed the GHI methodology, arguing it relies on flawed subjective opinion polls for the undernourishment indicator.
IV. Poverty and malnutrition share a strong bi-directional connection in the Indian context.
V. The GHI is officially published annually by the NITI Aayog.
Which of the given statements are correct?
(A) I, II, III and IV
(B) II, III, IV and V
(C) I, III and V
(D) II, IV and V
(E) Answer not known

46. Read the following Assertion and Reason statements and select the correct option:
Assertion (A): The SECC 2011 (Socio-Economic Caste Census) was instrumental in identifying BPL families, but faced challenges of exclusion and inclusion errors.
Reason (R): Identifying beneficiaries accurately through self-reported deprivation criteria can sometimes lead to deserving households being omitted.
(A) Both A and R are true and R is the correct

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I. 26 rupees
II. 32 rupees
III. 47 rupees
IV. 32 rupees
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

20. Select the correct sequence of the following Indian states in descending order of their total population as per Census 2011:
(A) Uttar Pradesh → Maharashtra → Bihar → West Bengal
(B) Maharashtra → Uttar Pradesh → Bihar → West Bengal
(C) Uttar Pradesh → Bihar → Maharashtra → West Bengal
(D) Bihar → Uttar Pradesh → Maharashtra → West Bengal
(E) Answer not known

21. Arrange the following key concepts in the logical sequence of poverty measurement evolution in India:
1. Calorie-based poverty line
2. Consumption-based poverty line (Tendulkar)
3. Multidimensional Poverty Index (NITI Aayog)
(A) 1 - 2 - 3
(B) 2 - 1 - 3
(C) 3 - 2 - 1
(D) 1 - 3 - 2
(E) Answer not known

22. Identify the incorrectly matched pair of demographic terms and their Census 2011 figures:
(A) National Sex Ratio - 943
(B) Child Sex Ratio - 918
(C) National Literacy Rate - 100 percent
(D) Replacement Level TFR - 2.1
(E) Answer not known

23. Which of the following defines the "Poverty Line" in a traditional economic sense in India?
(A) The specific income point where an individual's total earnings equal the national average salary.
(B) The total aggregate value of all assets owned by the bottom ten percent of the urban population.
(C) The mathematical ratio between established rural income limits and those of major urban areas.
(D) The minimum level of income or consumption needed to acquire basic human necessities.
(E) Answer not known

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24. What was the rural poverty line per capita per day recommended by the Tendulkar Committee?
(A) 26 rupees
(B) 32 rupees
(C) 47 rupees
(D) 50 rupees
(E) Answer not known

25. Which is the most populous state in India, known for significant governance challenges due to its massive demographic size?
(A) Maharashtra
(B) Uttar Pradesh
(C) Bihar
(D) West Bengal
(E) Answer not known

26. Which of the following statements correctly identifies the purpose of the Beti Bachao Beti Padhao campaign?
(A) To provide guaranteed government employment for rural women living below the national poverty line.
(B) To address the declining child sex ratio and support the social empowerment of girls.
(C) To systematically increase the total fertility rate in states with low demographic population density.
(D) To implement a dedicated housing scheme for women residing specifically in developed urban slums.
(E) Answer not known

27. Which of the following statements about India's rural and urban poverty is incorrect?
(A) The incidence of poverty is completely identical in rural and urban areas across all states.
(B) Urban poverty is closely associated with the proliferation of slums and informal

54. Which statement correctly identifies a major characteristic of out-of-pocket health expenditure in the context of poverty?
(A) A vital social safety net that effectively increases the long-term savings of vulnerable demographic groups.
(B) A cost that is entirely reimbursed by private hospitals for families officially listed as Below Poverty Line.
(C) A structural cause of catastrophic spending that frequently pushes families into a cycle of poverty.
(D) A financial burden that primarily affects only the top ten percent of high-income earners in urban areas.
(E) Answer not known

55. Which of the following statements about SECC 2011 is incorrect?
(A) It stands for Socio-Economic Caste Census.
(B) It used multiple deprivation criteria to identify beneficiaries for welfare schemes.
(C) It represented a shift from traditional income-based BPL identification to deprivation-based identification.
(D) It completely eliminated all inclusion and exclusion errors in welfare delivery.
(E) Answer not known

56. Which of the following is NOT typically classified as a structural cause of poverty in India?
(A) Short-term seasonal migration during festival holidays
(B) Unequal land ownership and landlessness
(C) Gender-based occupational segregation
(D) Caste-based social discrimination
(E) Answer not known

57. Consider the following statements linking poverty and education:
I. Low income often leads to high dropout rates among poor children.
II. Lack of education acts as a catalyst for the intergenerational poverty trap.
III. Education has no impact on breaking the cycle of poverty.
Which of the given statements is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

58. Consider the following statements regarding Tamil Nadu's demographic and poverty context:
I. Tamil Nadu is one of the states with historically low poverty incidence compared to the national average.
II. Data from the National Family Health Survey (NFHS) indicates significant improvements in health metrics in the state.
III. The state receives large volumes of inward interstate migration for industrial and informal work.
IV. Tamil Nadu has the highest birth rate and natural growth rate in the country.
Which of the given statements are correct?
(A) I, II and III
(B) II, III and IV
(C) I and IV
(D) II and III
(E) Answer not known

59. Consider the following features of the Rangarajan Committee on poverty estimation:
I. It submitted its report in 2014 as a revision to the previous poverty line methodologies.
II. It set the poverty line at 47 rupees per day for urban areas.
III. It set the poverty line at 32 rupees per day for rural areas.
IV. Its estimated poverty rate of 29.5 percent was significantly lower than the Tendulkar estimate.
V. It re-incorporated certain nutritional requirements alongside non-food expenses.
Which of the given statements are correct?
(A) I, II, III and V
(B) II, III, IV and V
(C) I, III and V
(D) II, IV and V
(E) Answer not known

60. Read the following Assertion and Reason statements and select the correct option:
Assertion (A): The government of India has heavily criticised the methodology used by the Global Hunger Index (GHI).
Reason (R): The GHI methodology relies heavily on subjective opinion polls to assess undernourishment and ignores large-scale

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(E) Answer not known

74. What does the term "Catastrophic health spending" primarily refer to in the context of social issues?
(A) Large-scale government spending dedicated to the construction of modern super-speciality hospitals.
(B) High out-of-pocket medical expenses that disrupt household living standards and cause poverty.
(C) The total annual budget allocated by the state for the Reproductive and Child Health programme.
(D) Subsidized health insurance premiums paid by the state specifically for Below Poverty Line families.
(E) Answer not known

75. In which year was the comprehensive National Population Policy (NPP) introduced with the objective of achieving population stabilisation?
(A) 1952
(B) 1976
(C) 2000
(D) 2011
(E) Answer not known

76. According to the 2023 India MPI update, approximately how many million people escaped multidimensional poverty in India over a 15-year period?
(A) 250 million
(B) 415 million
(C) 100 million
(D) 350 million
(E) Answer not known

77. Which statement accurately reflects the concept of social exclusion as a cause of poverty?
(A) A situation that occurs when rural workers voluntarily exclude themselves from all urban employment.
(B) A purely economic phenomenon caused by high inflation rates affecting the urban middle class.
(C) A process that only affects the affluent sections of society by limiting their access to subsidies.
(D) The systemic denial of certain social groups from participating fully in economic and social life.
(E) Answer not known

78. Which of the following statements about India's age structure is incorrect?
(A) India has a relatively young population compared to many Western countries.
(B) The working-age group forms a major proportion of the current demographic profile.
(C) The dependency ratio is defined exclusively as the ratio of children to the elderly.
(D) The proportion of old age dependents is expected to rise gradually in the coming decades.
(E) Answer not known

79. Which of the following is NOT one of the broad dimensions used in calculating the Multidimensional Poverty Index (MPI)?
(A) Health
(B) Environmental Carbon Footprint
(C) Standard of Living
(D) Education
(E) Answer not known

80. How does a high youth and old age dependency ratio economically impact a developing country?
(A) It drastically increases the immediate tax revenue generated from the rural agricultural sector.
(B) It ensures a continuous and stable surplus in the national trade balance with foreign countries.
(C) It automatically eradicates absolute poverty without the need for any direct state intervention.
(D) It places pressure on the working-age population to provide education, healthcare, and pensions.
(E) Answer not known

81. Read the following Assertion and Reason statements and select the correct option:
Assertion (A): Internal migration from rural to urban areas helps in reallocating excess agricultural labour to higher-productivity industrial sectors.
Reason (R): Rapid, unplanned rural-to-urban migration often results in severe urban pressure and the proliferation of slums.

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(D) 2600 calories
(E) Answer not known

67. The national average population density in India, as per the Census 2011, is:
(A) 382 persons per sq. km
(B) 415 persons per sq. km
(C) 324 persons per sq. km
(D) 450 persons per sq. km
(E) Answer not known

68. Which statement correctly identifies the relationship between poverty and the Gini coefficient?
(A) An index that strictly measures absolute poverty lines based on daily nutritional calorie intake.
(B) A statistical value of zero representing maximum inequality where one person holds all national wealth.
(C) A demographic metric used exclusively to measure the maternal mortality rates in developing nations.
(D) A measure where higher values indicate greater inequality, which can exacerbate relative poverty levels.
(E) Answer not known

69. Which of the following statements regarding the demographic dividend is incorrect?
(A) The economic growth potential derived from a larger proportion of the working-age population in the country.
(B) The dividend is realized automatically by the state without any strategic investments in health or education.
(C) India's demographic window of opportunity is estimated to remain open until the year 2055.
(D) Expanding formal employment creation is a mandatory requirement to capitalize on the demographic dividend.
(E) Answer not known

70. Which of the following states is NOT typically classified as having a high incidence of poverty according to multi-dimensional estimates?
(A) Bihar
(B) Jharkhand
(C) Kerala
(D) Uttar Pradesh
(E) Answer not known

71. Read the following Assertion and Reason statements and select the correct option:
Assertion (A): India is facing emerging challenges associated with an ageing population, particularly in southern states.
Reason (R): Persistent declines in fertility rates and increases in life expectancy have altered the age structure, raising the proportion of the elderly.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

72. Match the demographic indicators in List I with their standard threshold values in List II:
List I: (Demographic Indicators)
P. Replacement Level Total Fertility Rate
Q. National Sex Ratio (2011)
R. Child Sex Ratio (2011)
S. National Population Density (2011)
List II: (Standard Threshold Values)
I. 2.1
II. 943
III. 918
IV. 382
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

73. Identify the incorrectly matched pair regarding poverty committee recommendations:
(A) Tendulkar Committee - Established a limit of 32 rupees for daily urban consumption expenditure.
(B) Rangarajan Committee - Exclusively used calorie requirements without considering non-food items.
(C) Tendulkar Committee - Shifted the basis of poverty estimation to a consumption-based expenditure model.
(D) Rangarajan Committee - Recommended a poverty threshold of 47 rupees for daily urban consumption.

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explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

47. Match the types of Migration in List I with their corresponding examples in List II:
List I: (Types of Migration)
P. Rural to Urban Migration
Q. Interstate Migration
R. International Migration
S. Reverse Migration
List II: (Examples)
I. Moving from a village in Bihar to a construction site in Mumbai
II. Moving from Uttar Pradesh to Tamil Nadu for textile work
III. Moving from Kerala to the UAE for nursing jobs
IV. Moving from cities back to home villages during a pandemic lockdown
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

48. Select the option that shows the correct sequence of India's population distribution by density, identifying the states with the highest density (among the given) to the lowest:
(A) Bihar → West Bengal → Kerala → Arunachal Pradesh
(B) Arunachal Pradesh → Kerala → West Bengal → Bihar
(C) Kerala → Bihar → West Bengal → Arunachal Pradesh
(D) West Bengal → Kerala → Arunachal Pradesh → Bihar
(E) Answer not known

49. Arrange the following age groups as they are typically categorised to calculate the dependency ratio:
1. Youth dependents (0-14 years)
2. Working-age population (15-59 or 15-64 years)
3. Old-age dependents (60+ or 65+ years)
(A) 1 - 2 - 3
(B) 2 - 1 - 3
(C) 3 - 2 - 1
(D) 1 - 3 - 2
(E) Answer not known

50. Identify the incorrectly matched pair concerning poverty measurement methodologies:
(A) Calorie-based approach - Nutritional threshold
(B) Tendulkar Committee - Consumption expenditure
(C) SECC 2011 - Global Hunger ranking
(D) NITI Aayog MPI - Health, Education, Living standards
(E) Answer not known

51. What does the term "Absolute Poverty" strictly define?
(A) A condition where individuals lack the minimum income necessary to meet basic survival needs.
(B) A state of economic disparity where individuals have less income than the richest ten percent.
(C) The temporary loss of household employment occurring during a period of national economic recession.
(D) A complex mathematical index used to measure the specific difference between rural and urban wages.
(E) Answer not known

52. What was the percentage of India's population estimated to be living in poverty by the NITI Aayog's MPI report in 2022?
(A) Approximately 5 percent
(B) 21.9 percent
(C) 29.5 percent
(D) 41.5 percent
(E) Answer not known

53. Which of the following age brackets is generally defined as the "working-age group" when discussing India's demographic dividend?
(A) 0 to 14 years
(B) 15 to 59 years
(C) 60 to 75 years
(D) 75 years and above
(E) Answer not known

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(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

82. Match the migration and demographic factors in List I with their defining characteristics in List II:
List I: (Factors)
P. Push Factor
Q. Pull Factor
R. Remittance
S. Diaspora
List II: (Defining Characteristics)
I. Lack of employment or landlessness in rural areas
II. Better wages and urban amenities attracting migrants
III. Money sent back home by migrant workers
IV. Population of a country living outside its borders
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

83. Identify the correctly matched pair concerning poverty drivers:
(A) Catastrophic health spending - Out-of-pocket expenditure driving debt
(B) High agricultural productivity - Major cause of rural poverty
(C) Demographic dividend - Cause of increasing absolute poverty
(D) Universal Public Distribution System - Primary cause of social exclusion
(E) Answer not known

84. In demography, what does the "Crude Birth Rate" specifically measure?
(A) The number of live births per 1,000 women of childbearing age
(B) The total number of children born in rural areas divided by urban population
(C) The rate at which the fertility replacement level drops to 2.1
(D) The number of live births per 1,000 people in a population in a given year
(E) Answer not known

85. According to the 2011 Census, which state registered the highest population density in India?
(A) West Bengal
(B) Bihar
(C) Kerala
(D) Uttar Pradesh
(E) Answer not known

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86. Read the following Assertion and Reason statements and select the correct option:
Assertion (A): The SECC 2011 was a landmark exercise in poverty targeting.
Reason (R): It shifted the identification of beneficiaries from a single income line to multifaceted deprivation criteria.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

87. In the context of population distribution, which combination correctly highlights the primary factors causing uneven population distribution in India?
(A) Presence of uniform terrain, equitable climate, and identical state development policies.
(B) The exclusive presence of international airports and major railway hubs in certain states.
(C) Strict government regulations forcing uniform settlement patterns across all geographic regions.
(D) Variations in topography, climate, water availability, and levels of industrialization.
(E) Answer not known

88. Match the structural causes of poverty in List I with their impacted groups in List II:
List I: (Structural Causes)
P. Caste discrimination
Q. Gender-based asset deprivation
R. Geographical isolation
S. Physical disability

ANSWERS

1. (A) I and II
The Tendulkar Committee fundamentally changed India's approach to poverty estimation by moving from a calorie-based nutritional threshold to a broader consumption expenditure model. It set specific daily spending limits, such as thirty-two rupees for urban areas and twenty-six rupees for rural regions. This methodology aimed to provide a more realistic assessment of the actual cost of basic living standards.

2. (A) I, II and III
The Multidimensional Poverty Index assesses deprivations across the critical dimensions of health, education, and standard of living. In India, the NITI Aayog is the nodal agency for publishing this national index. Recent reports highlight significant progress, with over four hundred million people moving out of poverty, although regional disparities persist in states with high poverty incidence levels.

3. (A) I, II, III and V
According to the 2011 Census, India recorded a national sex ratio of nine hundred forty-three females per thousand males. However, the child sex ratio witnessed a decline to nine hundred eighteen, prompting targeted interventions like the Beti Bachao Beti Padhao scheme. The census remains a vital decadal demographic exercise, though the 2011 edition was conducted using traditional paper-based methods.

4. (A) Both A and R are true and R is the correct explanation of A.
India is currently in a unique demographic phase where the working-age population is significantly larger than the dependent population. This phenomenon, known as the demographic dividend, is expected to last for several decades until roughly 2055. Realising this potential requires the country to effectively utilize its labor force through job creation, skill development, and health improvements across states.

5. (A) P-IV, Q-I, R-III, S-II
Demographic metrics provide essential insights into population dynamics and social structures. The total fertility rate represents the average number of children per woman, while the sex ratio compares the number of females to males. Additionally, the dependency ratio measures the economic burden on the working-age group, and the birth rate tracks the frequency of live births per thousand.

6. (A) High birth and high death rates → High birth and declining death rates → Declining birth and death rates → Low birth and low death rates
The Demographic Transition Theory describes how populations change over time through four distinct stages. Initially, high birth and death rates lead to slow growth. As sanitation and medicine improve, death rates drop while birth rates remain high, causing rapid expansion. Eventually, birth rates also decline, and the population finally reaches a stable phase characterized by both low birth and death rates.

7. (A) 1 - 2 - 3
Poverty estimation in India has evolved through various expert groups and committees over several decades. The Tendulkar Committee established a consumption-expenditure based line in 2009, which was later revised by the Rangarajan Committee in 2014. More recently, the NITI Aayog introduced the National Multidimensional Poverty Index to provide a comprehensive view of deprivation across health, education, and living standards.

8. (A) Bihar - High poverty incidence
Poverty distribution across India shows significant regional variations based on economic development and social indicators. States like Bihar continue to exhibit a high incidence of poverty due to structural challenges and low per capita income. Conversely, states like Kerala have successfully reduced poverty levels through long-term investments in human development, high literacy rates, and effective healthcare systems for all.

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(A) Natural Growth Rate - Difference between immigration and emigration
(B) Sex Ratio - Number of females per 1000 males in a population
(C) Dependency Ratio - Ratio of working-age people to total GDP
(D) Infant Mortality - Death rate associated strictly with old age diseases
(E) Answer not known

96. Read the following Assertion and Reason statements and select the correct option:
Assertion (A): Children born into poor families frequently drop out of school to enter informal labour.
Reason (R): This lack of education acts as a mechanism that locks them into an intergenerational poverty trap.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

97. Match the stages of Demographic Transition in List I with their features in List II:
List I: (Stages)
P. Stage 1
Q. Stage 2
R. Stage 3
S. Stage 4
List II: (Features)
I. High stationary (High birth and death rates)
II. Early expanding (High birth, rapid drop in death rates)
III. Late expanding (Declining birth and death rates)
IV. Low stationary (Low birth and death rates)
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

98. Identify the correctly matched pair regarding urban poverty alleviation frameworks:
(A) Slum proliferation - A primary indicator of rising rural prosperity levels.
(B) Reverse Migration - The movement of labor strictly from one metro city to another.
(C) PMAY (Urban) - Scheme to provide housing and basic services to the urban poor population.
(D) Push factor - The abundance of high-paying and stable jobs in rural agricultural sectors.
(E) Answer not known

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99. Match the poverty frameworks in List I with their core methodologies in List II:
List I: (Poverty Frameworks)
P. Historical approach
Q. Tendulkar approach
R. SECC 2011 approach
S. MPI approach
List II: (Core Methodologies)
I. Calorie-based threshold
II. Consumption expenditure threshold
III. Seven deprivation criteria for rural households
IV. Health, Education, and Living standards indicators
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

100. Read the following Assertion and Reason statements and select the correct option:
Assertion (A): Realising India's demographic dividend requires massive, immediate investments in education, healthcare, and employment generation.
Reason (R): A large working-age population can become a demographic disaster if youth remain unemployable or lack adequate health and skills.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

35. (A) 1 - 2 - 3 - 4
Population stabilization is a gradual process that begins with high fertility rates and moves toward replacement levels through voluntary family planning. By adopting effective reproductive health programs, a country can bring its total fertility rate down to two point one. This transition eventually leads to a stable population size, allowing for better resource management and improved living standards for all citizens.

36. (D) Remittances - Financial transfers made by migrants back to their home region
Remittances represent the financial transfers made by migrant workers back to their home regions or families. These funds are a crucial source of income for many households and contribute significantly to local economies and poverty reduction. In the context of migration, these transfers help bridge the economic gap between high-income destination areas and the underdeveloped regions where migrants originally reside.

37. (B) Economic growth potential resulting from shifts in population age structure favoring the working-age share.
The demographic dividend is the economic growth potential that arises when a country's working-age population is larger than its dependent population. This shift in age structure provides a unique opportunity to boost productivity and savings. However, realizing this dividend is not automatic; it requires strategic investments in education, health, and job creation to ensure the workforce is effectively utilized.

38. (B) 29.5 percent
The Rangarajan Committee was established to review the methodology for estimating poverty in India and provide a more comprehensive assessment. In its 2014 report, the committee estimated that twenty-nine point five percent of the population lived below the poverty line. This figure was higher than previous estimates, reflecting a broader definition of essential expenditures, including both food and non-food items.

39. (C) Stage Three: Late expanding with declining fertility
According to the Demographic Transition Theory, India is currently positioned in the third stage, known as the late expanding phase. This stage is characterized by a significant decline in fertility rates alongside a continuing drop in death rates. While the population continues to grow, the rate of increase is slowing down as the country moves closer to population stabilization levels.

40. (A) The disproportionate representation of women among the poor due to unequal access to resources and assets.
The feminisation of poverty describes a socio-economic trend where women are disproportionately represented among the poor. This phenomenon is often the result of systemic gender inequalities, including limited access to education, lower wages, and lack of property rights. Addressing this issue requires targeted policies that empower women economically and ensure they have equal access to resources, assets, and various opportunities.

41. (B) The current approach under the National Population Policy is strictly coercive with mandated two-child norms.
India was a global pioneer in launching a national family planning program in 1952. While the 1970s saw a controversial period of coercive measures, modern policies strictly emphasize voluntary choice and reproductive health. Current strategies under the National Population Policy focus on providing informed access to contraceptives and health services rather than imposing mandatory limits or penalties on the size of families.

42. (B) Imposing a strict one-child policy with legal penalties
The National Population Policy of 2000 aims to achieve population stabilization through voluntary and health-oriented goals. It focuses on reducing infant and maternal mortality and addressing unmet needs for contraception. Unlike some international models, the policy does not include a strict one-child limit or legal penalties, emphasizing instead the importance of informed choice, reproductive rights, and improved healthcare infrastructure nationwide.

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9. (B) The number of daughters born to a woman who survive to childbearing age
The Net Reproduction Rate is a refined demographic measure that calculates the average number of daughters a woman would have who survive to childbearing age. This indicator is crucial for understanding whether a population is replacing itself from one generation to the next. An index value of one suggests a stable population size, ensuring long-term demographic equilibrium and sustainability.

10. (C) 2023
India reached a significant demographic milestone in 2023 by officially becoming the most populous country in the world, surpassing China. This shift reflects long-term trends in fertility rates and life expectancy across both nations. Managing such a large population presents both opportunities for economic growth through the demographic dividend and challenges for infrastructure, resource allocation, and social welfare systems.

11. (B) 918
The Census of India 2011 highlighted critical demographic trends, including the national child sex ratio for the age group of zero to six years. This specific metric was recorded at nine hundred eighteen, reflecting a concerning historical decline from previous decades. Such data prompted the government to launch various social campaigns and legislative measures to protect and empower the girl child.

12. (C) To target high fertility districts and enhance contraceptive and maternal health services
Mission Parivar Vikas is a targeted government initiative designed to accelerate family planning services in high fertility districts across several Indian states. The program focuses on improving access to contraceptives, enhancing maternal health services, and promoting voluntary family planning to stabilize population growth. By addressing unmet needs in these specific regions, the mission aims to achieve national demographic goals effectively.

13. (D) The multidimensional poverty index only uses calorie consumption to determine deprivation.
Modern poverty measurement has moved beyond simple calorie counts to include multifaceted deprivations. While absolute poverty defines a lack of basic survival needs, the multidimensional poverty index incorporates twelve indicators across health, education, and living standards. Incorrectly assuming that only nutritional intake determines poverty overlooks critical factors like sanitation, housing, and schooling that affect the overall quality of human life.

14. (C) Increase in the state's total demographic dividend
Catastrophic health spending occurs when out-of-pocket medical expenses are so high that they threaten a household's ability to maintain its basic standard of living. This often forces families into deep debt and depletes their savings, reinforcing the cycle of poverty. Such expenditures do not contribute to the demographic dividend; instead, they hinder economic potential by draining necessary household financial resources.

15. (B) II only
Migration from rural villages to urban centers is a major demographic trend in India, driven by the search for better employment and amenities. While this movement can strain city infrastructure and lead to the growth of slums, it also provides vital economic support. Remittances sent home by internal migrants play a significant role in alleviating poverty and supporting rural household economies.

16. (A) I, II and IV
The National Population Policy of 2000 set comprehensive goals to stabilize India's population through a voluntary and rights-based approach. Key objectives include achieving a replacement level fertility rate of two point one and addressing the unmet needs for reproductive health services. Unlike earlier periods, the policy emphasizes informed choice and health infrastructure rather than coercive measures to reach demographic stability goals.

17. (A) I, II, IV and V
Poverty in India is deeply rooted in structural issues that limit access to opportunities for certain groups. Social discrimination based on caste and gender often prevents individuals from acquiring assets or entering the formal labor market. Additionally, geographical isolation of tribal populations and the exclusion of vulnerable

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It is measured against a fixed standard of what a human being requires for survival, regardless of the income distribution in society. Individuals living in absolute poverty fall below a threshold that makes maintaining physical health and survival difficult.

52. (A) Approximately 5 percent
Recent poverty assessments in India have shown a significant decline in extreme poverty levels due to sustained economic growth and improved social welfare. Various reports, including those from the NITI Aayog, indicate that the proportion of the population living in absolute poverty has decreased substantially. Estimates for recent years suggest that extreme poverty incidence has reached very low, single-digit percentage levels.

53. (B) 15 to 59 years
In demographic discussions, the working-age group is generally defined as individuals between fifteen and fifty-nine years old. This segment of the population is responsible for driving economic productivity and supporting both the young and the elderly. The size of this group relative to dependents is the primary factor in determining whether a country can benefit from a demographic dividend.

54. (C) A structural cause of catastrophic spending that frequently pushes families into a cycle of poverty.
Out-of-pocket health expenditure is a major structural driver of poverty in India, as many families lack comprehensive insurance coverage. When a family member faces a serious illness, the resulting medical costs can be catastrophic, leading to the depletion of assets and long-term debt. This financial burden often pushes vulnerable households back into a cycle of poverty, highlighting the need for universal healthcare.

55. (D) It completely eliminated all inclusion and exclusion errors in welfare delivery.
The Socio-Economic Caste Census 2011 represented a major shift in how the Indian government identifies beneficiaries for social welfare schemes. Instead of using a simple income-based poverty line, it applied seven deprivation criteria to assess household needs. While this approach aimed to improve targeting, it did not completely eliminate inclusion and exclusion errors, which remain a challenge in welfare delivery.

56. (A) Short-term seasonal migration during festival holidays
Structural causes of poverty in India include deep-seated issues like unequal land ownership, caste-based discrimination, and gender inequality. These factors create systemic barriers that limit access to resources and economic opportunities. In contrast, short-term seasonal migration for personal or holiday reasons is a common demographic behavior and is not considered a structural cause that drives long-term absolute poverty or economic deprivation.

57. (A) I and II
Education and poverty are closely linked in a cycle that can span generations. Poor families often struggle with the costs of schooling, leading to high dropout rates as children enter the labor force early to support their households. This lack of education then limits their future earning potential, effectively locking them and their descendants into a persistent and difficult poverty trap.

58. (A) I, II and III
Tamil Nadu is recognized for its strong performance in social and demographic indicators, including a historically low poverty incidence and significant improvements in public health. The state also serves as a major destination for interstate migration due to its industrialized economy. Its success is often attributed to effective governance and the implementation of comprehensive social welfare programs that benefit a broad population.

59. (A) I, II, III and V
The Rangarajan Committee report of 2014 provided a revised framework for poverty estimation in India, incorporating both nutritional requirements and essential non-food expenses. It set higher daily poverty thresholds than the Tendulkar Committee, including forty-seven rupees for urban areas and thirty-two rupees for rural areas. This approach resulted in a higher estimated national poverty rate of twenty-nine point five percent.

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ensuring the survival, protection, and education of the girl child. By challenging deep-seated social prejudices and promoting female empowerment, the program aims to improve the status of women in society.

27. (A) The incidence of poverty is completely identical in rural and urban areas across all states.
Poverty manifests differently in rural and urban settings, with varying causes and characteristics across Indian states. Rural poverty is often linked to landlessness and low agricultural productivity, whereas urban poverty is frequently associated with informal employment and the growth of slums. Assuming that poverty incidence is identical in both areas is incorrect, as local economic conditions and infrastructure play major roles.

28. (C) Demographic dividend realisation through skill development
Poverty in India results from various economic and social factors, including unemployment, social exclusion, and high medical expenses. However, realizing the demographic dividend through skill development is not a cause of poverty; rather, it is a primary solution. By equipping the large working-age population with relevant skills, the country can drive economic growth and provide a pathway out of absolute poverty.

29. (A) I and II
Remittances from the Indian diaspora form a vital part of the national economy, with India being the world's top recipient of these funds. States like Kerala benefit significantly from these financial transfers, which help improve household living standards and reduce poverty. These inflows provide a critical cushion for many families, supporting expenditures on education, health, and housing in their home regions.

30. (A) I, III and IV
The Reproductive and Child Health programme is a comprehensive initiative aimed at reducing maternal and infant mortality across India. It integrates essential services such as immunization, maternal care, and voluntary family planning based on informed choice. By focusing on the health of mothers and children, the program plays a vital role in improving overall demographic indicators and addressing unmet contraceptive needs.

31. (A) I, II, III and IV
India is experiencing a significant shift in its age structure as life expectancy increases and fertility rates decline. This demographic transition leads to an ageing population, which presents new challenges for healthcare systems and pension funding. As the proportion of elderly citizens rises, the dependency ratio will eventually increase, highlighting the need for specialized geriatric care and sustainable social security.

32. (A) Both A and R are true and R is the correct explanation of A.
The historical decline in India's child sex ratio is a significant social concern driven by a strong preference for male children. The misuse of modern medical technology for sex-selective practices has exacerbated this trend in several regions. Addressing this issue requires both strict legal enforcement against illegal sex determination and broad social awareness campaigns to promote gender equality and value girls.

33. (A) P-I, Q-II, R-III, S-IV
Various government programs target specific social and demographic challenges in India to improve human development indicators. For example, Mission Parivar Vikas focuses on family planning in high-fertility districts, while the Socio-Economic Caste Census helps identify deprived households for welfare benefits. Additionally, schemes like the Pradhan Mantri Awas Yojana aim to provide essential housing and services to the urban poor population.

34. (A) Bihar → Uttar Pradesh → Maharashtra → Kerala
Poverty levels in India vary significantly from state to state, reflecting different levels of economic growth and social progress. A transition from higher to lower poverty incidence can be observed when moving from states like Bihar and Uttar Pradesh to more developed states like Maharashtra and Kerala. These variations highlight the importance of state-specific policies and investments in human capital development.

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communities from inclusive growth models create persistent barriers that sustain high levels of absolute poverty.

18. (A) Both A and R are true and R is the correct explanation of A.
Tamil Nadu has achieved a remarkable reduction in poverty levels through the successful implementation of inclusive social policies. The state's universal public distribution system and targeted health and education programs have provided a strong safety net for its population. This proactive governance approach has allowed the state to outperform many other regions in terms of human development and overall economic well-being.

19. (A) P-I, Q-II, R-III, S-IV
Different expert committees have proposed varying monetary thresholds to define the poverty line in India. The Tendulkar Committee suggested daily limits of thirty-two rupees for urban dwellers and twenty-six rupees for rural residents. Later, the Rangarajan Committee proposed higher limits, recommending forty-seven rupees for urban areas and thirty-two rupees for rural areas to better reflect the cost of essential services.

20. (A) Uttar Pradesh → Maharashtra → Bihar → West Bengal
India's population is unevenly distributed across its various states, with a few regions accounting for a massive share of the total. According to the 2011 Census, Uttar Pradesh is the most populous state, followed by Maharashtra, Bihar, and West Bengal. This high concentration of people in specific areas poses significant challenges for resource management, governance, and the delivery of services.

21. (A) 1 - 2 - 3
The methodology for measuring poverty in India has transitioned from a narrow focus on nutrition to a comprehensive multidimensional approach. Initially, the poverty line was based strictly on calorie intake, but the Tendulkar Committee shifted this to consumption expenditure. Most recently, the National Multidimensional Poverty Index was adopted to account for deprivations in health, education, and overall living standards.

22. (C) National Literacy Rate - 100 percent
Official demographic statistics from the 2011 Census provide a snapshot of India's social landscape, including sex ratios and literacy rates. While the national sex ratio was recorded at nine hundred forty-three, the literacy rate, although improving, did not reach one hundred percent. Accurate data on these metrics is essential for planning welfare schemes and addressing disparities in education and health.

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23. (D) The minimum level of income or consumption needed to acquire basic human necessities.
In traditional economic terms, the poverty line represents the minimum level of income or consumption expenditure required to meet basic human necessities. It serves as a benchmark for identifying individuals who lack the resources for survival needs like food, clothing, and shelter. This threshold is used by policymakers to target welfare programs and monitor the effectiveness of national poverty alleviation strategies.

24. (A) 26 rupees
The Tendulkar Committee was instrumental in redefining the rural poverty line based on per capita consumption expenditure rather than just calorie counts. It recommended a threshold of twenty-six rupees per day for individuals living in rural areas. This figure was intended to cover the cost of essential food items as well as expenditures on education, health, and other vital non-food services.

25. (B) Uttar Pradesh
Uttar Pradesh is the most populous state in India, with a demographic size that rivals many large countries. This massive population presents complex governance challenges, particularly in the areas of healthcare delivery, educational infrastructure, and employment generation. Managing such a large and diverse demographic requires significant resources and tailored policy interventions to ensure inclusive development and effective poverty reduction across the state.

26. (B) To address the declining child sex ratio and support the social empowerment of girls.
The Beti Bachao Beti Padhao campaign was launched to address the alarming decline in the child sex ratio in many parts of India. It focuses on preventing gender-biased sex selection and

43. (A) I and II
The Census of India is the primary source of demographic data, providing essential information on population size, growth, and distribution. While the 2011 Census was a traditional exercise, the planned 2021 Census faced significant delays due to the global COVID-19 pandemic. These decadal counts are crucial for policy planning, resource allocation, and understanding the evolving social and economic landscape of the country.

44. (A) I, II and III
Internal migration in India involves millions of people moving across state borders in search of better livelihoods and industrial employment. Major corridors exist from states like Uttar Pradesh and Bihar toward industrialized regions such as Maharashtra and Tamil Nadu. While migrants contribute significantly to the economic output of destination states, they often face challenges related to informal work, housing, and social security.

45. (A) I, II, III and IV
The Global Hunger Index measures food security challenges using indicators like child stunting, wasting, and mortality. While India's ranking has often been low, the government has questioned the index's methodology, particularly its reliance on subjective surveys. Despite these debates, the strong link between poverty and malnutrition remains a critical policy focus, requiring comprehensive interventions in food distribution and public health.

46. (A) Both A and R are true and R is the correct explanation of A.
The Socio-Economic Caste Census 2011 was designed to identify households facing various forms of deprivation for better welfare targeting. By moving beyond a simple income-based poverty line, it aimed to capture the multifaceted nature of poverty. However, identifying beneficiaries through self-reported data can lead to errors where some deserving families are excluded while others who do not qualify are included.

47. (A) P-I, Q-II, R-III, S-IV
Migration in India takes several forms, including rural-to-urban, interstate, and international movements. For example, workers moving from Bihar to Mumbai represent internal migration for labor, while those traveling to the Gulf seek international opportunities. Additionally, the pandemic highlighted reverse migration, where workers returned to their home villages. Each type of migration has distinct economic impacts on both the origin and destination regions.

48. (A) Bihar → West Bengal → Kerala → Arunachal Pradesh
Population density in India varies dramatically across regions due to differences in geography, climate, and economic opportunities. As per the 2011 Census, Bihar has the highest density, followed by West Bengal and Kerala. In contrast, states with difficult terrain, such as Arunachal Pradesh, have very low population densities. These variations significantly influence the planning of infrastructure and the delivery of services.

49. (A) 1 - 2 - 3
The dependency ratio is calculated by comparing the number of dependents to the working-age population. Dependents are typically divided into two groups: youth under fifteen years and the elderly over sixty or sixty-five years. The working-age group, generally between fifteen and sixty-four, provides the economic support for these dependents. Changes in this ratio significantly impact national savings and government social spending.

50. (C) SECC 2011 - Global Hunger ranking
Poverty measurement in India has utilized different methodologies, ranging from calorie-based nutritional thresholds to multidimensional indices. The Tendulkar Committee introduced a focus on consumption expenditure, while the NITI Aayog's Multidimensional Poverty Index covers health, education, and living standards. The Socio-Economic Caste Census 2011 was specifically used for identifying welfare beneficiaries based on deprivation, rather than for global hunger index rankings.

51. (A) A condition where individuals lack the minimum income necessary to meet basic survival needs.
Absolute poverty is a condition characterized by a severe lack of basic human needs, including food, safe drinking water, sanitation, and shelter.

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List II: (Impacted Groups)
I. Scheduled Castes (SCs) facing exclusion from markets
II. Women lacking property inheritance rights
III. Tribal populations (STs) in remote forest regions
IV. Differently-abled persons facing workplace barriers
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

89. Identify the incorrectly matched pair regarding the Demographic Transition Theory:
(A) Stage 1 - High Birth Rate, High Death Rate
(B) Stage 2 - High Birth Rate, Declining Death Rate
(C) Stage 3 - Declining Birth Rate, Declining Death Rate
(D) Stage 4 - High Birth Rate, Low Death Rate
(E) Answer not known

90. What is the fundamental difference between absolute and relative poverty?
(A) Absolute poverty depends on geographic location, while relative poverty depends strictly on gender.
(B) Absolute poverty is a lack of survival needs, while relative poverty measures income inequality.
(C) Absolute poverty only exists in urban slums, while relative poverty is a purely rural phenomenon.
(D) Relative poverty uses calorie intake, while absolute poverty uses the mathematical Gini coefficient.
(E) Answer not known

91. Read the following Assertion and Reason statements and select the correct option:
Assertion (A): Coercive sterilisation during the 1970s was a major setback to India's family planning initiatives.
Reason (R): The public backlash forced the government to abandon targets temporarily and later shift to a strictly voluntary and informed-choice approach.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

92. Match the demographic targets and values in List I with their context in List II:
List I: (Targets and Values)
P. 2.1
Q. 943
R. 918
S. 382
List II: (Context)
I. Replacement level of Total Fertility Rate
II. National Sex Ratio (Census 2011)
III. Child Sex Ratio (Census 2011)
IV. Population density per sq km (Census 2011)
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

93. Identify the incorrectly matched pair of states and their defining demographic/poverty feature:
(A) Uttar Pradesh - Most populous state
(B) Kerala - High inward international remittances
(C) Tamil Nadu - Significant decline in poverty trends
(D) Bihar - Lowest multi-dimensional poverty rate
(E) Answer not known

94. What is the demographic significance of a Net Reproduction Rate (NRR) equal to 1?
(A) It signifies that the total population size is exactly doubling every subsequent decade.
(B) It signifies that the crude death rate has significantly surpassed the crude birth rate.
(C) It indicates that a population is exactly replacing itself from one generation to the next.
(D) It implies that the infant mortality rate has reached a level of absolute zero in the nation.
(E) Answer not known

95. Identify the correctly matched pair of terms and their contextual meaning in population studies:

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60. (A) Both A and R are true and R is the correct explanation of A.
The Indian government has expressed concerns regarding the methodology of the Global Hunger Index, specifically its reliance on subjective opinion polls to measure undernourishment. Critics argue that the index overlooks the impact of massive government food security interventions, such as the public distribution system. This debate underscores the challenges of accurately measuring hunger and malnutrition in a large and complex population.

61. (A) P-I, Q-II, R-III, S-IV
Various organizations and government bodies are responsible for tracking different social and demographic indicators in India. The NITI Aayog publishes the National Multidimensional Poverty Index, while the Registrar General conducts the decadal census. Additionally, the Socio-Economic Caste Census is used to identify deprived households for targeting welfare, while international groups focus on indicators like hunger and malnutrition through specialized reports.

62. (A) First National Family Planning Programme → Era of coercive sterilisation → National Population Policy 2000 → Mission Parivar Vikas
India's approach to population and family planning has evolved through several distinct phases since independence. It began with the world's first national program in 1952, followed by a controversial period of coercive measures in the 1970s. Modern policies, such as the National Population Policy 2000 and Mission Parivar Vikas, focus on voluntary choice, reproductive health, and improving services in high-fertility regions.

63. (A) 1 (Health) - 2 (Education) - 3 (Living Standards)
The Multidimensional Poverty Index is calculated based on twelve indicators grouped into three broad dimensions. Health is assessed through nutrition and child mortality, while education is measured by years of schooling and school attendance. The standard of living dimension includes several indicators such as access to cooking fuel, sanitation, drinking water, electricity, housing, and the ownership of basic household assets.

64. (D) High out-of-pocket health expenditure - Resulting in catastrophic household spending and debt.
Economic consequences in a society are often driven by underlying social and demographic issues. For instance, high out-of-pocket health expenditure can lead to catastrophic household spending, which frequently pushes families into persistent debt and poverty. Conversely, improving literacy and healthcare can help stabilize population growth and enhance economic productivity, highlighting the critical link between social well-being and national economic stability.

65. (A) Poverty measured by comparing an individual's living conditions to the average standard of their society.
Relative poverty is an economic concept that measures the level of deprivation by comparing an individual's income or standard of living to the average standard in their society. Unlike absolute poverty, which focuses on survival needs, relative poverty highlights economic inequality. It reflects how some groups may lack the resources to participate fully in the typical lifestyle and activities of their community.

66. (B) 2400 calories
Historically, poverty estimation in India relied on a calorie-based threshold to determine the minimum requirements for survival. For rural areas, where physical labor is typically more intense, the daily requirement was set at two thousand four hundred calories per person. For urban areas, the threshold was lower, at two thousand one hundred calories, reflecting different lifestyles and levels of physical activity.

67. (A) 382 persons per sq. km
Population density is a measure of the number of people living per square kilometer of land area. According to the 2011 Census, the national average population density in India was three hundred eighty-two persons per square kilometer. This figure varies significantly across states, influenced by factors such as geographical terrain, climate, water availability, and the level of urbanization and industrial development.

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68. (D) A measure where higher values indicate greater inequality, which can exacerbate relative poverty levels.
The Gini coefficient is a statistical measure used to represent the income or wealth inequality within a population. A higher value on this scale indicates greater inequality, which can exacerbate levels of relative poverty even if absolute poverty is declining. Understanding this relationship is crucial for policymakers who aim to promote inclusive growth and ensure that economic benefits are distributed more equitably.

69. (B) The dividend is realized automatically by the state without any strategic investments in health or education.
The demographic dividend represents a window of economic opportunity that arises from a favorable population age structure. However, this growth is not automatic and requires significant state investments in education, health, and vocational training. To capitalize on this potential, the country must create enough formal jobs to absorb the large working-age population before the demographic window begins to close as society ages.

70. (C) Kerala
Regional assessments of multidimensional poverty show that some Indian states have made much more progress than others. While states like Bihar, Jharkhand, and Uttar Pradesh still face high levels of deprivation, Kerala stands out for its very low incidence of multidimensional poverty. This achievement is the result of decades of investment in social sectors like healthcare, education, and land reforms.

71. (A) Both A and R are true and R is the correct explanation of A.
Several states in India, particularly in the south, are now facing the challenges of an ageing population as fertility rates drop below replacement levels. Increased life expectancy and better healthcare have altered the demographic profile, leading to a higher proportion of elderly citizens. This shift requires the government to develop new policies focused on geriatric care, social security, and sustainable pension systems.

72. (A) P-I, Q-II, R-III, S-IV
Standard demographic indicators provide essential benchmarks for understanding a nation's population dynamics. Key values from the 2011 Census include a national sex ratio of nine hundred forty-three and a child sex ratio of nine hundred eighteen. Additionally, the replacement level total fertility rate is generally set at two point one, while the national population density was recorded as three hundred eighty-two.

73. (B) Rangarajan Committee - Exclusively used calorie requirements without considering non-food items.
Poverty estimation methodologies in India have moved away from purely nutritional models toward more comprehensive expenditure-based systems. The Rangarajan Committee, for example, incorporated both food and non-food requirements, such as health and education, rather than relying exclusively on calorie intake. This shift allowed for a more nuanced understanding of the costs associated with maintaining a basic but dignified standard of living.

74. (B) High out-of-pocket medical expenses that disrupt household living standards and cause poverty.
Catastrophic health spending refers to situations where households must pay a large portion of their income for medical services, often leading to financial ruin. This happens frequently in India due to high out-of-pocket costs and limited insurance coverage for the poor. Such expenses disrupt the household's ability to afford basic needs like food and education, thereby entrenching the cycle of poverty.

75. (C) 2000
The National Population Policy introduced in 2000 was a landmark framework designed to achieve population stabilization through a voluntary and rights-based approach. It moved away from earlier target-driven methods, focusing instead on improving reproductive health services and ensuring informed choice for families. The policy set long-term goals for stabilizing the population while simultaneously improving maternal and child health indicators across the country.

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76. (B) 415 million
Recent updates to the Multidimensional Poverty Index indicate significant progress in India's fight against deprivation. Over a fifteen-year period ending recently, approximately four hundred fifteen million people successfully escaped multidimensional poverty. This large-scale reduction reflects improvements in access to basic services like electricity, sanitation, and cooking fuel, although continued efforts are needed to address remaining gaps in nutrition and educational quality.

77. (D) The systemic denial of certain social groups from participating fully in economic and social life.
Social exclusion is a process through which certain individuals or groups are systemically blocked from accessing rights, opportunities, and resources that are normally available to others. This denial of participation in economic, social, and political life is a major structural cause of poverty. It often affects marginalized communities, preventing them from escaping poverty despite overall national economic growth and development efforts.

78. (C) The dependency ratio is defined exclusively as the ratio of children to the elderly.
India's current age structure is characterized by a large proportion of young and working-age people, which provides a demographic dividend. The dependency ratio is a key metric that compares the number of non-working dependents, including both children and the elderly, to the working-age population. It is incorrect to define this ratio solely as the relationship between children and the elderly citizens.

79. (B) Environmental Carbon Footprint
The Multidimensional Poverty Index tracks deprivations across three essential dimensions: health, education, and standard of living. These are measured using twelve specific indicators such as nutrition, school attendance, and access to basic household amenities. While environmental issues are globally important, a country's carbon footprint is not used as a direct component for calculating this specific index of human poverty and deprivation.

80. (D) It places pressure on the working-age population to provide education, healthcare, and pensions.
A high dependency ratio occurs when the number of children and elderly people is large relative to the working-age population. This situation places significant economic pressure on the workforce to fund essential services like education, healthcare, and pensions. In developing countries, managing this ratio is critical for maintaining economic stability and ensuring that enough resources are available for future investments and growth.

81. (B) Both A and R are true but R is not the correct explanation of A.
Migration from rural to urban areas can help reallocate labor to more productive sectors, but it also creates significant challenges for city management. Rapid and unplanned movement often leads to the growth of slums and places immense pressure on urban infrastructure and services. While migration is an economic necessity for many, its success depends on effective urban planning and social support systems.

82. (A) P-I, Q-II, R-III, S-IV
Migration is driven by various push and pull factors that influence where people choose to live and work. Push factors, like landlessness, drive people away from rural areas, while pull factors, like higher wages, attract them to cities. The financial transfers sent home by these migrants, known as remittances, are vital for rural economies, especially in countries with a large international diaspora.

83. (A) Catastrophic health spending - Out-of-pocket expenditure driving debt
Drivers of poverty in India include both immediate financial shocks and long-term structural barriers. For example, catastrophic health spending due to high out-of-pocket costs is a major reason families fall into debt and poverty. On the other hand, programs like the public distribution system and investments in productivity are intended to alleviate poverty, rather than being the causes of social exclusion.

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84. (D) The number of live births per 1,000 people in a population in a given year
The crude birth rate is a basic demographic measure used to track the number of live births

wise demand
(E) Answer not known

26. How does Net Enrolment Ratio (NER) differ from Gross Enrolment Ratio (GER)?
(A) NER measures the enrolment of the official age group for a given level of education expressed as a percentage of the corresponding population.
(B) NER includes students of all possible age groups currently enrolled in a specific level of primary or higher education.
(C) NER only accounts for female student enrolment in higher education institutions and specialized vocational training centers.
(D) NER is strictly used as a statistical tool to measure dropout rates in elementary schools across different rural districts.
(E) Answer not known

27. Consider the following statements regarding TB elimination in India:
I. The National TB Elimination Programme targets eliminating TB in India by 2030.
II. Ni-kshay Poshan Yojana provides nutritional support to TB patients.
III. Tuberculosis is classified as a communicable disease.
IV. TB elimination is an integral part of India's infectious disease burden reduction strategy.
Which of the above statements are correct?
(A) I, II and III
(B) II, III and IV
(C) I and IV
(D) I, II and IV
(E) Answer not known

28. Match the following employment and skill concepts in List I with their descriptions in List II:
List I: (Concept)
P. Educated unemployment
Q. Skill mismatch
R. Apprenticeship
S. NAPS
List II: (Description)
I. Industry exposure and practical training
II. Graduate unemployment due to professional oversupply
III. Stipend sharing to scale up employer participation
IV. Industry requirement versus education output gap
(A) P-II, Q-IV, R-I, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-IV, Q-III, R-I, S-II
(D) P-II, Q-I, R-IV, S-III
(E) Answer not known

29. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): India has witnessed a significant decline in its Maternal Mortality Rate (MMR) over recent decades, aligning with SDG targets.
Reason (R): The National Health Mission (NHM) and improved institutional deliveries have contributed to these maternal health advancements.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

30. Identify the incorrectly matched pair regarding the social determinants of health:
(A) Sanitation - Direct impact on communicable disease burden
(B) Poverty - Reduces affordability of healthcare access
(C) Education - Negatively correlates with life expectancy
(D) Employment - Affects nutritional outcomes and health quality
(E) Answer not known

31. Consider the following statements regarding higher education reforms under NEP 2020:
I. It promotes a multidisciplinary approach in higher education.
II. It proposes the establishment of the Academic Bank of Credits (ABC).
III. It strictly prohibits the entry of foreign universities into India.
IV. It aims to increase the Gross Enrolment Ratio in higher education.
V. It provides increased autonomy to Higher Education Institutions (HEIs).

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93. (D) Bihar - Lowest multi-dimensional poverty rate
Different Indian states show unique demographic and poverty features based on their level of development. While Uttar Pradesh is the most populous and Kerala receives high remittances, states like Tamil Nadu have seen significant poverty reduction. Bihar, however, continues to show high rates of multidimensional poverty, highlighting the need for continued focus on improving health, education, and living standards in the region.

94. (C) It indicates that a population is exactly replacing itself from one generation to the next.
The Net Reproduction Rate is an important demographic indicator that measures whether a population is replacing itself. A value of one indicates that, on average, each woman is being replaced by exactly one daughter who survives to childbearing age. This suggests that the population will remain stable over time, achieving a balance between births and deaths in the absence of significant migration.

95. (B) Sex Ratio - Number of females per 1000 males in a population
Accurate terminology is essential in population studies to describe various demographic phenomena. The sex ratio is defined as the number of females per one thousand males in a population, providing a measure of gender balance. Other terms, like the natural growth rate, focus on the difference between births and deaths, while the dependency ratio compares the working-age population to its dependents.

96. (A) Both A and R are true and R is the correct explanation of A.
Children in impoverished households often face significant barriers to education, frequently dropping out to work and support their families. This lack of schooling prevents them from acquiring the skills needed for better-paying jobs, which leads to an intergenerational poverty trap. Breaking this cycle requires ensuring that all children have access to quality education and that families have adequate economic support.

97. (A) P-I, Q-II, R-III, S-IV
The four stages of demographic transition represent the evolution of a population's birth and death rates over time. The first stage is high stationary, followed by an early expanding stage where death rates drop. The third stage is late expanding, where birth rates begin to decline, and the final stage is low stationary, where both rates are low, leading to stability.

98. (C) PMAY (Urban) - Scheme to provide housing and basic services to the urban poor population.
Alleviating urban poverty in India requires targeted programs that provide essential infrastructure and services. The Pradhan Mantri Awas Yojana (Urban) is a key initiative designed to provide affordable housing and basic amenities to the urban poor. This scheme addresses the challenges posed by the growth of slums and informal settlements, which are often the result of rapid and unplanned urban migration.

99. (A) P-I, Q-II, R-III, S-IV
Poverty estimation frameworks in India have evolved from simple calorie-based models to complex multidimensional indices. While historical approaches used nutritional thresholds, later methods like the Tendulkar Committee focused on consumption expenditure. The Socio-Economic Caste Census 2011 and the Multidimensional Poverty Index further refined this by using specific deprivation criteria across health, education, and living standards to identify those in need.

100. (A) Both A and R are true and R is the correct explanation of A.
Realising the demographic dividend requires strategic investments in human capital to ensure the large working-age population is productive. Without adequate healthcare, quality education, and sufficient job creation, this demographic window could transform into a social disaster. Effective policy implementation is essential to provide skills and opportunities to the youth, thereby driving sustained economic growth and national development.

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CHAPTER 18

Social Problems: Education, Health and Employment in India

1. What was the national literacy rate of India according to the 2011 Census data?
(A) 74.04 percent
(B) 77.7 percent
(C) 82.1 percent
(D) 69.5 percent
(E) Answer not known

2. How is the Gross Enrolment Ratio (GER) in education defined?
(A) The specific percentage of students successfully completing and passing the final board examinations in a given academic year.
(B) The total numerical ratio of qualified teachers to enrolled students across various primary and higher education institutions.
(C) The comparative percentage of girls enrolled in elementary education relative to the total number of boys in the same district.
(D) Total enrolment in a specific level of education, regardless of age, expressed as a percentage of the eligible official school-age population.
(E) Answer not known

3. Consider the following statements regarding the Right to Education (RTE) Act 2009:
I. It mandates free and compulsory education for children aged 6 to 14 years under Article 21A.
II. It requires schools to maintain specified teacher qualifications and adequate infrastructure.
III. It permits the detention of students in elementary classes for academic non-performance.
Which of the above statements is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

4. Match the following education schemes in List I with their primary objectives in List II:
List I: (Scheme)
P. NIPUN Bharat
Q. Samagra Shiksha
R. PM POSHAN
S. KGBV
List II: (Objective)
I. Holistic support by integrating SSA, RMSA and TE
II. Nutritional support and school attendance
III. Residential schools for girls from disadvantaged groups
IV. Foundational literacy and numeracy by Grade 3
(A) P-IV, Q-I, R-II, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-IV, Q-III, R-II, S-I
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

5. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The Annual Status of Education Report (ASER) highlights a severe learning crisis in rural schools across India.
Reason (R): The ASER findings show that a significant percentage of students lack foundational reading and arithmetic competency.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.

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(E) Answer not known

6. Identify the correctly matched pair regarding higher education initiatives:
(A) SWAYAM - Residential school facilities designed for children in tribal areas
(B) NIPUN Bharat - Accreditation and ranking systems for technical institutions
(C) Eklavya Model Residential Schools - Free digital MOOCs for higher education
(D) Academic Bank of Credits - Facilitates credit transfer in higher education
(E) Answer not known

7. Select the correct structure of school education proposed by the National Education Policy (NEP) 2020:
(A) 10 + 2 + 3 structure
(B) 8 + 4 + 4 structure
(C) 5 + 3 + 3 + 4 structure
(D) 5 + 4 + 3 + 3 structure
(E) Answer not known

8. Consider the following education policies and schemes:
I. Right to Education Act
II. National Health Policy (recent framework setting 2.5% GDP target)
III. National Education Policy (NEP introducing 5+3+3+4)
Which of the following represents the correct chronological sequence based on their launch or enactment?
(A) I, II, III
(B) II, I, III
(C) III, II, I
(D) I, III, II
(E) Answer not known

9. Which of the following is a correct statement regarding the dropout rate in Indian schools?
(A) The dropout rate is uniform across all social groups in India.
(B) Gender gap in dropout rates has been completely eliminated in rural schools.
(C) The secondary level dropout rate is generally lower than the elementary level dropout rate.
(D) There is a significant gap in dropout rates among SC and ST students compared to the general category.
(E) Answer not known

10. Which of the following is an incorrect statement regarding para-teachers in India?
(A) They are appointed as regular, permanent employees with full pension benefits.
(B) They are primarily hired on a contractual basis to fill existing teacher vacancies.
(C) Their employment is often debated in terms of cost-effectiveness versus quality.
(D) Quality concerns regarding their pedagogical training and impact on learning are frequently raised.
(E) Answer not known

11. Consider the following statements regarding digital education initiatives in India:
I. DIKSHA provides digital infrastructure and resources for school education.
II. SWAYAM offers Massive Open Online Courses (MOOCs) with a credit transfer facility.
III. e-Pathshala is a regulatory portal for higher education accreditation.
IV. National Digital Education Architecture aims to unify digital education infrastructure.
Which of the above statements are correct?
(A) I, II and IV
(B) I, III and IV
(C) I and III
(D) II and IV
(E) Answer not known

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12. Match the following health indicators in List I with their accurate descriptions in List II:
List I: (Indicator)
P. Infant Mortality Rate (IMR)
Q. Maternal Mortality Rate (MMR)
R. Under-five mortality rate
S. Life expectancy at birth
List II: (Description)
I. Maternal deaths per 1,00,000 live births
II. Average number of years a person is expected to live
III. Death of an infant before one year per 1,000 live births
IV. Death of a child before age five per 1,000 live births
(A) P-I, Q-III, R-II, S-IV
(B) P-III, Q-I, R-IV, S-II
(C) P-III, Q-IV, R-I, S-II

(D) P-IV, Q-I, R-III, S-II
(E) Answer not known

13. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): India's current education expenditure stands at approximately 4.6 percent of the GDP, falling short of the recommended target.
Reason (R): The National Education Policy 2020 recommends increasing public investment in education to 6 percent of the GDP.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

14. Identify the incorrectly matched pair regarding disease burden:
(A) Tuberculosis - National TB Elimination Programme
(B) Malaria - Communicable disease
(C) COVID-19 - Non-communicable disease
(D) Diabetes - Risk factor for cardiovascular issues
(E) Answer not known

15. Consider the following statements regarding Ayushman Bharat and health initiatives:
I. Ayushman Bharat consists of two main inter-related components.
II. Health and Wellness Centres under it provide comprehensive primary healthcare.
III. PM-JAY provides health cover of Rs. 5 lakh per family per year.
IV. PM-JAY currently covers exactly 12 crore individual beneficiaries instead of families.
V. It significantly aims to reduce out-of-pocket expenditure for secondary and tertiary care.
Which of the above statements are correct?
(A) I, II, III and V
(B) II, III, IV and V
(C) I, III and IV
(D) I, II and IV
(E) Answer not known

16. What is the most appropriate description of the "skill gap" in the context of Indian employment?
(A) The physical geographic distance between major educational institutions and industrial or commercial hubs.
(B) The existing disparity in vocational training access between rural districts and rapidly growing urban centers.
(C) The mismatch between the skills required by industries and the output of the education system.
(D) The lack of soft skills and leadership qualities exclusively among uneducated rural youth seeking positions.
(E) Answer not known

17. Which of the following scenarios best demonstrates the intersectionality of social problems?
(A) An individual experiencing poor health outcomes exclusively due to hereditary genetic factors or chronic conditions.
(B) A child dropping out of school due to poverty, leading to informal employment and subsequently poor health outcomes.
(C) A university revising its academic curriculum solely to meet national NIRF ranking parameters and accreditation goals.
(D) The implementation of the National Apprenticeship Promotion Scheme by a major private IT corporation in a metro.
(E) Answer not known

18. Identify the key feature of the PM POSHAN scheme:
(A) It focuses solely on providing high-speed digital devices to rural students for specialized online learning modules.
(B) It exclusively targets the specific nutritional and medicinal needs of pregnant women in isolated tribal areas.
(C) It provides fixed monthly scholarships to students pursuing postgraduate education in accredited central universities.
(D) It is a renamed version of the midday meal scheme aimed at providing nutritional support and improving school attendance.
(E) Answer not known

19. Consider the following statements regarding teacher vacancies in India:

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I. Teacher vacancies have a negligible impact on learning outcomes in elementary schools.
II. There is a significant state-wise variation in the extent of teacher vacancies across India.
III. Filling teacher vacancies is critical for ensuring the overall quality of school education.

Which of the above statements is/are correct?
(A) I and II
(B) II and III
(C) I only
(D) III only
(E) Answer not known

20. Match the following institutions/bodies in List I with their primary functions in List II:
List I: (Institution)
P. UGC
Q. NAAC
R. NIRF
S. IITs and IIMs
List II: (Function)
I. Institutional ranking based on specific parameters
II. Premier institutions producing global talent
III. Accreditation and quality assessment
IV. Grants and regulation of universities
(A) P-IV, Q-III, R-I, S-II
(B) P-I, Q-II, R-III, S-IV
(C) P-III, Q-I, R-IV, S-II
(D) P-IV, Q-II, R-I, S-III
(E) Answer not known

21. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): There is significant state variation in the Infant Mortality Rate (IMR) within India.
Reason (R): States like Kerala have a much lower IMR compared to states like Uttar Pradesh due to better healthcare access and education.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

22. Identify the correctly matched pair regarding malnutrition data:
(A) Stunting - A term used to describe low weight for height usually caused by acute illness or starvation.
(B) Wasting - A term used to describe low height for age resulting from chronic long-term undernutrition.
(C) Anaemia - A condition characterized by an excess of red blood cells leading to severe physical toxicity.
(D) Underweight - Composite measure reflecting both stunting and wasting
(E) Answer not known

23. Select the correct order representing the flow of SWAYAM's educational approach from access to accreditation:
(A) Credit transfer to parent institution, Free online course access, Earning academic credits
(B) Free online course access, Earning academic credits, Credit transfer to parent institution
(C) Earning academic credits, Credit transfer to parent institution, Free online course access
(D) Free online course access, Credit transfer to parent institution, Earning academic credits
(E) Answer not known

24. Consider the following stages of school education as per the NEP 2020:
I. Foundational
II. Secondary
III. Middle
IV. Preparatory

Which of the following represents the correct sequential order from earliest to latest?
(A) I, IV, III, II
(B) I, III, IV, II
(C) IV, I, III, II
(D) I, IV, II, III
(E) Answer not known

25. What do the annual findings of the India Skills Report primarily focus on assessing?
(A) The physical fitness of youth in rural areas
(B) The number of start-ups registered in the IT sector
(C) The proportion of informal sector workers in agriculture
(D) The employability of graduates and sector-

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occurring in a population during a specific year. It is expressed as the number of births per one thousand people. This indicator helps researchers and policymakers understand population growth trends and plan for the future needs of the country in terms of healthcare and education.

85. (B) Bihar
Population density reflects the concentration of people in a given area and varies across India based on geographical and economic factors. According to the 2011 Census, Bihar had the highest population density among all Indian states, with over one thousand people per square kilometer. This high density is a result of fertile land, a large population base, and specific historical settlement patterns.

86. (A) Both A and R are true and R is the correct explanation of A.
The Socio-Economic Caste Census 2011 was a landmark exercise that changed how the government identifies families for welfare benefits. By using multifaceted deprivation criteria instead of a single income-based poverty line, it aimed to more accurately target those in greatest need. This shift recognized that poverty is a complex condition involving multiple overlapping deprivations that income alone cannot always fully capture.

87. (D) Variations in topography, climate, water availability, and levels of industrialization.
The uneven distribution of population across India is caused by a combination of physical and economic factors. Variations in topography, climate, and the availability of water play a major role in determining where people settle. Additionally, the level of industrialization and the presence of economic opportunities in certain regions attract more people, leading to higher population densities in urban and industrial hubs.

88. (A) P-I, Q-II, R-III, S-IV
Structural causes of poverty affect different groups in distinct ways, often through social exclusion and limited access to resources. Caste discrimination may block access to markets, while gender inequality often prevents women from owning assets or inheriting property. Geographical isolation and physical disabilities also create barriers to employment and services, requiring targeted policies to address the unique needs of each marginalized group.

89. (D) Stage 4 - High Birth Rate, Low Death Rate
The Demographic Transition Theory outlines the shift from high birth and death rates to low ones as a society develops. In the fourth stage, a population reaches a low stationary phase characterized by both low birth and death rates. It is incorrect to state that this final stage involves a high birth rate, as that would characterize the earlier, expanding phases of growth.

90. (B) Absolute poverty is a lack of survival needs, while relative poverty measures income inequality.
Absolute poverty and relative poverty are two different ways of measuring economic deprivation. Absolute poverty is defined by the lack of basic necessities for survival, such as food and shelter, and is measured against a fixed threshold. Relative poverty, however, focuses on economic inequality by comparing a person's income and living standards to the average levels within their specific society or community.

91. (A) Both A and R are true and R is the correct explanation of A.
The period of the 1970s was a challenging time for family planning in India, as coercive measures led to a significant public backlash. This reaction forced the government to rethink its strategy and move toward a strictly voluntary approach. Modern policies emphasize informed choice and reproductive rights, reflecting the lesson that sustainable population stabilization requires public trust and the provision of quality services.

92. (A) P-I, Q-II, R-III, S-IV
Demographic targets and census values provide a framework for evaluating a country's social progress. For India, the replacement level total fertility rate is set at two point one children per woman. Other key metrics from the 2011 Census include a national sex ratio of nine hundred forty-three, a child sex ratio of nine hundred eighteen, and a population density of three hundred eighty-two.

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Which of the above statements are correct?
(A) I, II, III and IV
(B) II, III, IV and V
(C) I, II, IV and V
(D) I, III and V
(E) Answer not known

32. Which of the following is a correct statement regarding mental health in India?
(A) Mental health issues constitute a negligible portion of India's overall disease burden.
(B) The National Mental Health Programme (NMHP) exclusively focuses on affluent urban populations.
(C) Ayushman Bharat integrates mental health services at the primary care level through Health and Wellness Centres.
(D) India's public health expenditure allocates over 10 percent of its GDP strictly to mental health services.
(E) Answer not known

33. Which of the following is an incorrect statement regarding the private sector in Indian education?
(A) The private sector has seen significant growth in both school and higher education.
(B) There are no equity concerns regarding access to private education in India.
(C) Commercialisation of education is a frequently cited challenge in the private sector.
(D) Regulatory gaps exist in monitoring the fee structure and quality of private institutions.
(E) Answer not known

34. What is the most appropriate reason for adopting an integrated approach to social problems?
(A) It simplifies administrative paperwork and reduces the reporting burden for local governments and small municipalities.
(B) It allows the central government to completely reduce the national budget for social welfare and rural development.
(C) It strictly restricts foreign direct investment in the social sector to protect domestic policies and initiatives.
(D) It recognizes the deep, holistic interconnection between poverty, education, health, and employment.
(E) Answer not known

35. A 13-year-old girl in a rural area leaves school to care for her younger siblings and assist in household chores. This scenario best illustrates which systemic challenge?
(A) The impact of socio-economic factors on the gender gap in secondary dropout rates
(B) The total lack of any constitutional provisions or legal protections for children's basic rights.
(C) The operational failure of the Academic Bank of Credits to transfer school-level digital credits.
(D) The oversupply of highly qualified professionals in the formal industrial labour market and sector.
(E) Answer not known

36. Identify a key feature of ASHA workers under the National Health Mission:
(A) They are fully qualified medical doctors providing advanced tertiary care in specialized district hospitals.
(B) They are exclusively responsible for auditing the financial expenditure and budgets of the PM-JAY scheme.
(C) They serve as community health volunteers creating awareness and facilitating healthcare access.
(D) They operate only in metropolitan cities to manage chronic non-communicable diseases and lifestyle disorders.
(E) Answer not known

37. Consider the following statements regarding Non-Communicable Diseases (NCDs) in India:
I. Diabetes, hypertension, and cardiovascular diseases are major non-communicable diseases in India.
II. NCDs are primarily caused by infectious agents like viruses and bacteria.
III. Lifestyle choices and environmental risk factors significantly contribute to the burden of NCDs.
Which of the above statements is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) I only
(E) Answer not known

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38. Match the following education initiatives in List I with their target demographic in List II:
List I: (Initiative)
P. EMRS
Q. KGBV
R. RTE Act mandate
S. NIPUN Bharat
List II: (Target Demographic)
I. Children aged 6 to 14 years
II. Grade 3 students
III. Tribal children (Class 6 to 12)
IV. Girls from disadvantaged groups
(A) P-III, Q-IV, R-I, S-II
(B) P-IV, Q-III, R-II, S-I
(C) P-I, Q-II, R-III, S-IV
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

39. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Stunting among children under five remains a critical public health concern in India as per NFHS data.
Reason (R): Stunting is a measure of acute malnutrition indicating sudden weight loss due to recent starvation.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

40. Identify the correctly matched pair regarding employment problems:
(A) Informal work - Characterized by high job security, formal contracts, and extensive social protection for all workers.
(B) National Apprenticeship Promotion Scheme - Exclusively designed for uneducated daily wage laborers in the informal sector.
(C) Educated unemployment - Graduate unemployment due to lack of suitable jobs or skill mismatch
(D) India Skills Report - Recommends reducing higher education funding entirely to focus on basic literacy and numeracy.
(E) Answer not known

41. Select the correct combination of key focus areas assessed in the National Family Health Survey-5 (NFHS-5):
(A) Space exploration, nutritional status, and international mental health trends.
(B) Cybersecurity, national disease burden, and foreign policy objectives.
(C) Skill mismatch, educated unemployment, and regional literacy rates.
(D) Nutrition, anaemia, family planning, and maternal health
(E) Answer not known

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42. Consider the following elements concerning teachers:
I. Impact on learning outcomes
II. Teacher vacancies in schools
III. Appointment of contractual para-teachers
IV. NEP 2020 assessment and teacher quality reforms
Which of the following represents a logical arrangement from problem identification to policy intervention?
(A) I, II, III, IV
(B) II, I, III, IV
(C) III, II, I, IV
(D) II, III, I, IV
(E) Answer not known

43. According to recent trends in India's health indicators, how does the life expectancy at birth generally compare between genders?
(A) Male life expectancy is significantly higher than female life expectancy.
(B) Female life expectancy is higher than male life expectancy.
(C) Life expectancy is exactly equal for both males and females.
(D) Life expectancy data does not distinguish between genders.
(E) Answer not known

44. How is the under-five mortality rate defined in health indicators?
(A) The number of children under five who die from malnutrition per 10,000 population in rural areas.
(B) The probability of a child dying between birth and exactly five years of age, expressed per 1,000 live births.
(C) The percentage of children who survive

beyond the age of five in rural and urban areas.
(D) The ratio of stillbirths to live births among children under five years in a calendar year.
(E) Answer not known

45. Consider the following provisions under the Right to Education Act 2009:
I. It mandates neighbourhood schools for elementary education.
II. It strictly prohibits physical punishment and mental harassment of children.
III. It specifies norms and standards relating to school infrastructure.
IV. It allows schools to conduct screening procedures during admission.
Which of the above statements are correct?
(A) I, II and III
(B) I, III and IV
(C) I, II and IV
(D) II and III
(E) Answer not known

46. Match the following higher education concepts in List I with their associated terms or bodies in List II:
List I: (Concept)
P. Quality Accreditation
Q. Credit Transfer
R. Quality Education for Tribals
S. India Rankings for institutions
List II: (Body/Term)
I. Academic Bank of Credits
II. NAAC and NBA
III. NIRF
IV. EMRS
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-III, Q-I, R-IV, S-II
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

47. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The National Health Policy 2017 aims to increase public health expenditure to 2.5 percent of the GDP.
Reason (R): India's current public health expenditure hovers around 1.28 percent of the GDP, which is considered low for ensuring universal healthcare.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

48. Identify the incorrectly matched pair regarding diseases and conditions:
(A) Malaria - Vector-borne communicable disease
(B) Hypertension - Non-communicable disease
(C) Dengue - Nutritional deficiency disease
(D) Anaemia - Deficiency characterized by low red blood cell count
(E) Answer not known

49. Consider the following reforms proposed by the National Education Policy (NEP) 2020:
I. Emphasizes foundational literacy and numeracy.
II. Advocates teaching in the mother tongue or regional language until at least Grade 5.
III. Introduces a rigid, permanent separation between arts and sciences.
IV. Proposes a new 5+3+3+4 curricular structure.
V. Supports flexibility in course choices for students.
Which of the above statements are correct?
(A) I, II, IV and V
(B) I, II, III and V
(C) II, III, IV and V
(D) I, III and IV
(E) Answer not known

50. Which of the following is a correct statement regarding India's "dual burden" of disease?
(A) India has completely eradicated all communicable diseases and now only faces non-communicable diseases.
(B) Non-communicable diseases are strictly confined to urban wealthy populations without affecting rural areas.
(C) The dual burden solely describes the economic cost of healthcare shared by the central and state governments.
(D) The dual burden refers to the simultaneous

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high prevalence of both communicable and non-communicable diseases.
(E) Answer not known

51. Which of the following is an incorrect statement regarding the PM-JAY scheme?
(A) Beneficiaries can access care strictly in government hospitals and are barred from private networks.
(B) It provides a health insurance cover of Rs. 5 lakh per family per year.
(C) It caters to approximately 12 crore vulnerable families in India.
(D) It primarily focuses on secondary and tertiary care hospitalization.
(E) Answer not known

52. The phenomenon of "graduate unemployment" or educated unemployment in India is most strongly associated with:
(A) An absolute lack of universities and colleges across the entire country for higher studies.
(B) A high dropout rate at the elementary education level across rural school districts.
(C) The mismatch between acquired educational qualifications and prevailing market demands.
(D) The complete automation of all entry-level jobs in the traditional agriculture sector.
(E) Answer not known

53. If a student pursuing an undergraduate degree wishes to shift to another university midway without losing the academic progress already made, which NEP 2020 initiative directly facilitates this?
(A) Academic Bank of Credits (ABC)
(B) SWAYAM MOOCs
(C) NIPUN Bharat Mission
(D) PM POSHAN Scheme
(E) Answer not known

54. A distinguishing feature of the National Health Mission (NHM) is:
(A) It exclusively provides funds for building central medical colleges.
(B) It abolished the role of ASHA workers to centralize healthcare delivery.
(C) It focuses solely on foreign medical graduates' accreditation in India.
(D) It integrates both rural (NRHM) and urban (NUHM) health initiatives to achieve health goals.
(E) Answer not known

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55. Consider the following statements regarding the SWAYAM platform:
I. It provides free online courses to ensure equitable access to quality education.
II. The courses offered on the platform do not carry any valid academic credits.
III. It is a major component of India's digital education framework focusing on MOOCs.
Which of the above statements is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) I only
(E) Answer not known

56. Match the following digital platforms/schemes in List I with their primary purposes in List II:
List I: (Platform/Scheme)
P. DIKSHA
Q. e-Pathshala
R. NDEAR
S. Ni-kshay Poshan
List II: (Purpose)
I. National Digital Education Architecture
II. Nutritional support for TB patients
III. National digital infrastructure for teachers and school education
IV. Portal hosting educational resources and textbooks
(A) P-III, Q-IV, R-I, S-II
(B) P-I, Q-II, R-III, S-IV
(C) P-IV, Q-III, R-II, S-I
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

57. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The rapid growth of the private sector in Indian education has raised significant equity concerns.
Reason (R): Commercialisation of education often makes high-quality schooling unaffordable for socio-economically disadvantaged groups.
(A) Both A and R are true and R is the correct explanation of A.

(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

58. Identify the correctly matched pair regarding health and education infrastructure:
(A) Health and Wellness Centres - Delivery of comprehensive primary healthcare
(B) PM-JAY - Focuses on elementary education infrastructure
(C) NAAC - Regulates pharmaceutical drug pricing
(D) Kasturba Gandhi Balika Vidyalaya - Tertiary healthcare facilities for women
(E) Answer not known

59. Consider the following stages of education and health financing:
I. Current public health expenditure (1.28% of GDP)
II. National Health Policy 2017 target (2.5% of GDP)
III. National Education Policy target (6% of GDP)
Which of the following represents the correct order from the current reality to the recommended policy goals?
(A) I, II, III
(B) II, III, I
(C) III, I, II
(D) I, III, II
(E) Answer not known

60. Consider the following components of the NEP 2020 higher education reforms:
1. Increased Gross Enrolment Ratio
2. Multidisciplinary approach to learning
3. Accumulation in Academic Bank of Credits
4. Credit transfer across HEIs
Which of the following represents a logical arrangement from entry point to outcome?
(A) 2, 3, 4, 1
(B) 1, 2, 3, 4
(C) 3, 4, 1, 2
(D) 4, 3, 2, 1
(E) Answer not known

61. What is India's current education expenditure as a percentage of GDP?
(A) 4.6 percent
(B) 1.28 percent
(C) 2.5 percent
(D) 6.0 percent
(E) Answer not known

62. Which of the following defines the focus of foundational literacy and numeracy under the NIPUN Bharat Mission?
(A) Providing advanced coding and vocational training to students starting from Grade 1.
(B) Guaranteeing direct university admission for students from marginalized rural backgrounds.
(C) Ensuring every child achieves foundational reading and arithmetic competency by Grade 3.
(D) Ensuring total secondary school completion for all female students in urban centers.
(E) Answer not known

63. Consider the following statements regarding Malnutrition in India and NFHS data:
I. Stunting indicates chronic malnutrition and is defined as low height for age.
II. Wasting indicates acute malnutrition and is defined as low weight for height.
III. There is negligible state variation in malnutrition indicators across India.
IV. NFHS-5 data monitors nutrition, anaemia, and family planning alongside other health indicators.
Which of the above statements are correct?
(A) I, II and IV
(B) II, III and IV
(C) I and III
(D) I, II and III
(E) Answer not known

64. Match the following bodies in List I with their domain of influence in List II:
List I: (Body)
P. National Research Foundation (NRF)
Q. National Board of Accreditation (NBA)
R. University Grants Commission (UGC)
S. National Health Mission (NHM)
List II: (Domain)
I. Healthcare delivery and rural/urban health integration
II. Promoting and funding a research culture
III. Quality assessment of technical institutions

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IV. Grants and general regulation of universities
(A) P-II, Q-III, R-IV, S-I
(B) P-I, Q-II, R-III, S-IV
(C) P-III, Q-I, R-IV, S-II
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

65. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The employment of contractual para-teachers in Indian schools is frequently debated.
Reason (R): While they are seen as a cost-effective way to fill teacher vacancies, their lack of pedagogical training raises severe quality concerns.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

66. Identify the incorrectly matched pair regarding educational initiatives:
(A) Eklavya Model Residential Schools - Targets tribal children
(B) Samagra Shiksha - Integration of SSA, RMSA and Teacher Education
(C) PM POSHAN - Renamed midday meal scheme
(D) Kasturba Gandhi Balika Vidyalaya - Targets boys in urban slums
(E) Answer not known

67. Consider the following statements about India's disease burden:
I. The burden comprises both communicable and non-communicable diseases.
II. TB, malaria, and dengue are key communicable diseases.
III. Diabetes and cardiovascular diseases are non-communicable diseases.
IV. The National Health Policy targets zero budget allocation for NCDs.
V. Mental health is increasingly recognized as a significant component of the disease burden.
Which of the above statements are correct?
(A) I, II, III and V
(B) II, III, IV and V
(C) I, II, IV and V
(D) I, III and IV
(E) Answer not known

68. Which of the following is a correct statement regarding the National Apprenticeship Promotion Scheme (NAPS)?
(A) It provides lifelong government employment to apprentices.
(B) It is designed exclusively for postgraduate students of central universities.
(C) It involves stipend sharing and aims to scale up employer participation in training.
(D) It prohibits the participation of private sector employers.
(E) Answer not known

NODIA

69. Which of the following is an incorrect statement regarding the Right to Education Act 2009?
(A) It allows the detention of students who fail their final examinations in primary school.
(B) It guarantees free and compulsory education for children between 6 to 14 years.
(C) It specifies norms for teacher qualifications and infrastructure.
(D) It mandates the establishment of neighbourhood schools.
(E) Answer not known

70. What is the most appropriate reason for emphasizing foundational literacy and numeracy in the NEP 2020?
(A) To facilitate the immediate and unregulated employment of children in the rural informal sector.
(B) To strictly and rapidly increase the Gross Enrolment Ratio in the nation's higher education system.
(C) To reduce the financial burden on state governments by cutting secondary and upper primary school funding.
(D) To address the severe learning crisis identified by reports like ASER, which showed many students lack basic reading and arithmetic skills.
(E) Answer not known

71. In evaluating the "skill mismatch" in India's labor market, which concept application best describes the core issue?
(A) High dropout rates in elementary schools leading to a critical shortage of manual laborers.
(B) Engineering graduates working in jobs that do not require technical degrees due to a lack of industry-relevant practical skills.
(C) The successful placement of all medical graduates in rural Health and Wellness Centres nationwide.
(D) The over-reliance of the expanding IT sector on foreign workers for mid-level management roles.
(E) Answer not known

72. Identify a prominent feature of the National Institutional Ranking Framework (NIRF):
(A) It provides international academic rankings solely for universities located in European nations.
(B) It is a regulatory body that disperses significant financial grants to primary schools.
(C) It assesses and ranks Indian higher education institutions based on specific parameters like teaching, learning, and research.
(D) It mandates the compulsory entry and permanent establishment of foreign universities into India.
(E) Answer not known

73. Consider the following statements regarding the role of ASHA workers:
I. They act as community health volunteers creating a link between the healthcare system and the community.
II. They perform complex surgical procedures in district hospitals.
III. Their roles include facilitating healthcare access and receiving performance-based incentives.
Which of the above statements is/are correct?
(A) I and III
(B) II and III
(C) I only
(D) I, II and III
(E) Answer not known

74. Match the following parameters of education in List I with their relevant reports or schemes in List II:
List I: (Parameter)
P. Learning outcomes in rural schools
Q. Employability of graduates
R. Holistic school education support
S. Quality assessment and accreditation
List II: (Report/Scheme)
I. ASER
II. India Skills Report
III. Samagra Shiksha
IV. NAAC
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-IV, Q-III, R-II, S-I
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

75. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The NEP 2020 advocates for the medium of instruction to be the mother tongue or regional language until at least Grade 5.
Reason (R): Research indicates that young children learn and grasp non-trivial concepts more quickly in their home language.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

76. Identify the correctly matched pair regarding social problems:
(A) Demographic dividend - Refers strictly to the aging population requiring palliative care and long-term geriatric support services.
(B) Educated unemployment - Arises primarily due to the relevance gap and skill mismatch
(C) Informal work - Features long-term legal contracts and extensive pension benefits for all employees.
(D) Teacher vacancies - Results in improved pedagogy and higher learning outcomes across rural elementary school districts.
(E) Answer not known

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77. Select the correct combination of components integrated under the Samagra Shiksha scheme:
(A) Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA), and Teacher Education (TE)
(B) Midday Meal Scheme, PM-JAY, and NIPUN Bharat
(C) UGC, AICTE, and NAAC
(D) NAPS, India Skills Report, and ASER
(E) Answer not known

78. Consider the following health challenges:
I. Promoting sanitation and basic hygiene
II. Screening for early signs of non-communicable diseases at Health and Wellness Centres
III. Providing coverage of Rs. 5 lakh for severe hospitalization under PM-JAY
Which of the following represents a logical arrangement from primary prevention focus to tertiary care intervention?
(A) I, II, III
(B) II, I, III
(C) III, II, I
(D) I, III, II
(E) Answer not known

79. What is the target year set by the National TB Elimination Programme to eliminate Tuberculosis in India?
(A) 2022
(B) 2025
(C) 2030
(D) 2035
(E) Answer not known

80. How is the Maternal Mortality Rate (MMR) precisely defined in India's health indicators?
(A) The number of maternal deaths per 1,000 live births in a given reporting period.
(B) The total number of pregnant women who die due to accidents in a single year.
(C) The number of maternal deaths per 1,00,000 live births in a given period.
(D) The ratio of maternal deaths to infant deaths per 10,000 population in a state.
(E) Answer not known

81. Consider the following statements regarding the NEP 2020 higher education framework:
I. It introduces a multidisciplinary approach to higher education.
II. It plans to phase out the affiliation system for colleges over time.
III. It completely abolishes the University Grants Commission without any replacement.
IV. It envisions the Academic Bank of Credits to enable seamless credit transfer.
Which of the above statements are correct?
(A) I, II and IV
(B) I, III and IV
(C) II and III
(D) I and IV
(E) Answer not known

82. Match the following diseases in List I with their categorizations in List II:
List I: (Disease)
P. Tuberculosis
Q. Diabetes
R. Hypertension
S. COVID-19
List II: (Categorization)
I. Communicable Disease (Bacterial)
II. Communicable Disease (Viral)
III. Non-Communicable Disease (Metabolic)
IV. Non-Communicable Disease (Cardiovascular risk)
(A) P-I, Q-III, R-IV, S-II
(B) P-II, Q-IV, R-III, S-I
(C) P-I, Q-IV, R-III, S-II
(D) P-III, Q-I, R-II, S-IV
(E) Answer not known

83. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Apprenticeship and internship programs are heavily promoted to bridge the skill gap in India.
Reason (R): These programs provide crucial industry exposure and practical training, directly enhancing the employability of graduates.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

NODIA

84. Identify the incorrectly matched pair regarding education bodies:
(A) NAAC - Accreditation of higher education institutions
(B) NIRF - Ranking of institutions based on parameters
(C) UGC - Disburses health insurance to students
(D) NRF - Proposed to fund and promote research
(E) Answer not known

85. Consider the following statements regarding Malnutrition in India:
I. Stunting is a measure of chronic undernutrition.
II. Wasting indicates acute weight loss and requires immediate intervention.
III. The NFHS-5 report indicated improvements in all nutrition indicators across every single state without exception.
IV. State variation shows significant disparities in malnutrition levels.
V. Underweight is a composite indicator of both stunting and wasting.
Which of the above statements are correct?
(A) I, II, IV and V
(B) II, III, IV and V
(C) I, III and V
(D) I, II and IV
(E) Answer not known

86. Which of the following is a correct statement regarding public health expenditure in India?
(A) It is currently above 5 percent of the GDP, meeting all international standards.
(B) It strictly excludes funding for primary healthcare.
(C) It is uniformly distributed, meaning every state spends exactly the same amount per capita.
(D) The National Health Policy 2017 targets increasing public health expenditure to 2.5 percent of the GDP.
(E) Answer not known

87. Which of the following is an incorrect statement regarding the dropout rate in schools?
(A) Dropout rates are generally higher at the secondary level than at the elementary level.
(B) There is no noticeable difference in dropout rates among SC/ST children compared to the general population.
(C) Gender gaps in dropout rates exist due to various socio-economic factors.
(D) Poor school infrastructure and poverty are significant causes of high dropout rates.
(E) Answer not known

NODIA

88. What is the most appropriate indicator to measure the overall health status and mortality conditions of a population?
(A) Academic Bank of Credits
(B) Gross Enrolment Ratio
(C) Life expectancy at birth
(D) Number of NAAC accredited hospitals
(E) Answer not known

89. Which scenario best exemplifies the "relevance gap" in the context of educated unemployment?
(A) A student leaving school early to work in agriculture.
(B) A factory worker losing their job due to sudden economic recession.
(C) An individual choosing not to work despite having multiple job offers.
(D) An engineering graduate unable to find work because the curriculum studied does not match current industry technology standards.
(E) Answer not known

90. Identify a key feature of Eklavya Model Residential Schools (EMRS):
(A) They aim to provide quality residential education to tribal children from Class 6 to 12.
(B) They provide free higher education exclusively to students in urban metropolitan cities.
(C) They are medical colleges meant for training ASHA workers.
(D) They offer short-term vocational courses for unemployed graduates.
(E) Answer not known

91. What is the recommended target for education expenditure as a percentage of GDP in India?
(A) 2.5 percent
(B) 4.6 percent
(C) 6.0 percent
(D) 10.0 percent

(E) Answer not known

92. How is the Infant Mortality Rate (IMR) defined?
(A) The number of maternal deaths per 1,000 live births in a state.
(B) The death of an infant before reaching one year of age, expressed per 1,000 live births.
(C) The probability of a child dying between birth and five years of age per 1,000 live births.
(D) The percentage of children born with severe malnutrition in rural healthcare centers.
(E) Answer not known

93. Which of the following statements correctly describes a finding of the Annual Status of Education Report (ASER)?
(A) It revealed a significant learning crisis, noting that many rural students lack foundational reading and arithmetic competency.
(B) It found that rural schools have surpassed urban schools in digital literacy.
(C) It stated that teacher vacancies have no impact on student learning outcomes.
(D) It declared a 100% success rate in achieving foundational literacy among Grade 3 students nationwide.
(E) Answer not known

94. Which of the following is an incorrect statement regarding the demographic and health context of Kerala versus Uttar Pradesh?
(A) State variation is a prominent feature in India's health indicators.
(B) Kerala typically exhibits higher life expectancy than the national average.
(C) Kerala generally records a higher Infant Mortality Rate (IMR) than Uttar Pradesh.
(D) Uttar Pradesh faces greater challenges in reducing maternal and infant mortality compared to Kerala.
(E) Answer not known

95. In the context of solving complex social problems, what is the most appropriate benefit of aiming for the Sustainable Development Goals (SDGs)?
(A) SDGs provide an isolated, single-sector approach to bypass complex bureaucratic hurdles and reporting delays.
(B) SDGs guarantee immediate financial grants from the World Bank to clear all outstanding national debts.
(C) SDGs eliminate the need for domestic policies like the National Education Policy and Health Mission.
(D) SDGs promote an integrated approach, recognizing that actions in health, education, and employment affect outcomes in one another.
(E) Answer not known

96. Which intervention best addresses the concept of "nutritional support and school attendance" as interconnected social determinants?
(A) Issiting digital certificates via the Academic Bank of Credits.
(B) Upgrading university laboratories for higher education.
(C) Implementing the PM POSHAN (midday meal) scheme in schools.
(D) Providing stipends strictly to industry employers under NAPS.
(E) Answer not known

97. Identify the primary feature of the Ayushman Bharat - Health and Wellness Centres (HWCs):
(A) Providing exclusive tertiary care surgeries for rare genetic disorders and specialized medical conditions.
(B) Delivering comprehensive primary healthcare and bringing medical services closer to the community.
(C) Functioning as national regulatory bodies for all private pharmaceutical companies and drug pricing.
(D) Offering massive open online courses for medical students pursuing postgraduate degrees in surgery.
(E) Answer not known

98. What is the current extent of public health expenditure in India as a percentage of GDP?
(A) 2.5 percent
(B) 4.6 percent
(C) 6.0 percent
(D) 1.28 percent
(E) Answer not known

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99. What does the term "informal work" generally imply in the context of employment as a social problem?

(A) Employment in sectors that lack job security, formal contracts, and adequate social protection.

(B) Employment characterized by highly regulated working hours and robust social security benefits for all staff.

(C) High-paying jobs strictly within multinational IT corporations located in major urban metropolitan centers.

(D) Employment guaranteed by the central government for all university graduates through a permanent civil service.

(E) Answer not known

100. Which of the following correctly describes the mandate of Kasturba Gandhi Balika Vidyalaya (KGBV)?

(A) Providing higher education scholarships for boys in urban areas.

(B) Facilitating credit transfers between foreign universities and Indian institutions.

(C) Setting up residential schools specifically for girls from disadvantaged groups at the upper primary level.

(D) Delivering vocational training to adults in the agriculture sector.

(E) Answer not known

NODIA

33. (B) There are no equity concerns regarding access to private education in India.
The expansion of private institutions has significantly altered the educational landscape. While these schools and colleges often provide modern facilities, their high costs can create barriers for students from lower-income backgrounds. This situation leads to debates about the fairness of educational access and the potential for the sector to become overly profit-driven. Ensuring that quality education remains affordable is crucial.

34. (D) It recognizes the deep, holistic interconnection between poverty, education, health, and employment.
Addressing social challenges requires understanding how different issues overlap and influence each other. For example, poor health can hinder education, which in turn limits job opportunities and keeps individuals in poverty. An integrated strategy acknowledges these relationships, allowing for more effective and sustainable solutions. By tackling multiple problems together, policymakers can create a more balanced approach to development.

35. (A) The impact of socio-economic factors on the gender gap in secondary dropout rates
Educational abandonment among young girls is often driven by a combination of financial pressure and traditional domestic roles. When families face economic hardship, children, especially girls, may be expected to prioritize household responsibilities over their studies. This trend contributes to a significant disparity in school completion rates between different genders. Addressing this issue requires policies that support families and schooling.

36. (C) They serve as community health volunteers creating awareness and facilitating healthcare access.
Local health volunteers play a vital role in connecting rural populations with the formal medical system. These individuals are trained to provide basic health information, encourage immunizations, and assist families in accessing professional care. By working directly within their own communities, they build trust and ensure that essential services reach those who need them most. Their presence is key.

37. (C) I and III
Long-term health conditions like high blood pressure and heart disease represent an increasing portion of the national disease burden. Unlike infections, these problems are often linked to personal habits, diet, and the surrounding environment. They are not spread from person to person but develop over time. Managing these issues requires a shift toward preventive care and healthier lifestyles.

38. (A) P-III, Q-IV, R-I, S-II
Targeted educational programs address the specific needs of various demographic groups. Residential schools provide high-quality learning environments for tribal children, while specialized facilities support girls from disadvantaged backgrounds. National laws mandate free schooling for a wide age range of children to ensure universal access. Other missions focus on fundamental skills for younger students in early grades. These efforts aim for inclusivity.

39. (C) A is true but R is false.
Persistent growth delays in children are a major indicator of long-term nutritional deficiencies. This condition results from a sustained lack of proper diet and frequent illnesses over an extended period, rather than a sudden loss of weight. While statistics show that this remains a significant problem in many regions, it is important to distinguish chronic issues from acute starvation.

40. (C) Educated unemployment - Graduate unemployment due to lack of suitable jobs or skill mismatch
High levels of joblessness among those with degrees often highlight a disconnect between academic training and the needs of the modern workplace. This situation arises when the skills taught in institutions do not match the technical requirements of employers or when there are simply not enough roles. Addressing this problem involves updating the curriculum and creating stronger links with industry.

41. (D) Nutrition, anaemia, family planning, and maternal health
National surveys provide comprehensive data on the health and well-being of families across

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spending targets. Most recently, a comprehensive education policy introduced a redesigned curricular structure. Understanding this sequence helps track the national priority shifts toward improving human capital and social welfare.

9. (D) There is a significant gap in dropout rates among SC and ST students compared to the general category.
Educational retention remains a challenge influenced by socio-economic disparities across different communities. Statistics frequently show that children from Scheduled Castes and Scheduled Tribes face higher dropout rates compared to students from general categories. These gaps are often driven by poverty, lack of access to quality schools, and social exclusion, necessitating targeted interventions to ensure that every student completes schooling.

10. (A) They are appointed as regular, permanent employees with full pension benefits.
Para-teachers are typically employed on short-term contracts rather than as permanent civil servants. These appointments are often used by states to address immediate vacancies in schools while managing budget constraints. Because they do not receive the same benefits or job security as regular staff, their use remains a subject of debate regarding the long-term impact on educational quality and professional standards.

11. (A) I, II and IV
India's digital education landscape comprises several integrated platforms designed to enhance learning and administrative efficiency. Systems for school infrastructure provide resources for teachers, while online portals offer courses that carry academic weight through credit transfers. Furthermore, a unified architectural framework aims to streamline these diverse digital initiatives, ensuring a cohesive and accessible technological environment for students and educators across the nation.

12. (B) P-III, Q-I, R-IV, S-II
Health indicators provide essential data for assessing the well-being of a population. Infant and child mortality rates measure deaths at specific early ages per thousand births, while maternal mortality tracks deaths related to pregnancy per hundred thousand. Life expectancy offers a broad overview of average longevity. Monitoring these statistics helps governments evaluate the effectiveness of healthcare interventions and nutritional programs.

13. (B) Both A and R are true but R is not the correct explanation of A.
National investment in the education sector is currently below the levels recommended by expert commissions and policy frameworks. While the recent policy explicitly sets a target of six percent of the gross domestic product, the actual expenditure remains significantly lower. This gap exists due to various fiscal constraints and competing priorities, rather than simply because a new target has been established.

14. (C) COVID-19 - Non-communicable disease
Diseases are categorized based on their transmission methods and long-term characteristics. Communicable diseases, such as viral infections and bacterial conditions, can spread between individuals through various vectors or direct contact. In contrast, non-communicable diseases are typically chronic and linked to lifestyle factors or genetics. Correctly identifying the nature of a disease is crucial for developing appropriate public health responses and prevention.

15. (A) I, II, III and V
The Ayushman Bharat mission integrates primary care through local centers with insurance coverage for more intensive medical treatments. It provides substantial financial protection to millions of families, aiming to lower the costs associated with hospital stays. By focusing on both community-based wellness and access to specialized care, the initiative seeks to create a more equitable and comprehensive healthcare system.

16. (C) The mismatch between the skills required by industries and the output of the education system.
The concept of a skill gap highlights a significant challenge where the qualifications of graduates do not align with the practical needs of the labor market. While many individuals hold academic degrees, they may lack the specific technical or vocational competencies sought by employers.

NODIA

ANSWERS

1. (B) 77.7 percent
National literacy statistics provide a vital measure of human development within a country. While the 2011 Census reported a lower figure, subsequent surveys conducted by the National Statistical Office indicate significant progress in educational attainment. Higher literacy rates reflect improved access to schooling and effective implementation of government initiatives aimed at reducing illiteracy across various demographic groups in India.

2. (D) Total enrolment in a specific level of education, regardless of age, expressed as a percentage of the eligible official school-age population.
The Gross Enrolment Ratio serves as a key statistical measure to determine the participation level in specific educational stages. It compares total student enrolment, including those outside the typical age range, against the population of the officially designated age group. This indicator helps policymakers assess the capacity and reach of the education system across primary, secondary, and higher levels.

3. (A) I and II
The Right to Education Act provides a legal framework ensuring that every child between specified ages receives free schooling. It sets rigorous standards for institutional infrastructure and teacher qualifications to maintain educational quality. Unlike earlier systems, the legislation focuses on continuous progress in elementary education, emphasizing that students should not be detained or held back due to poor academic performance.

4. (A) P-IV, Q-I, R-II, S-III
Educational schemes in India target diverse goals ranging from foundational skills to nutritional support. The NIPUN Bharat mission focuses on early grade literacy, while Samagra Shiksha integrates multiple school programs. PM POSHAN addresses health and attendance through meals, and Kasturba Gandhi Balika Vidyalayas provide residential facilities for disadvantaged girls. Together, these initiatives aim to ensure holistic development and equitable access.

5. (A) Both A and R are true and R is the correct explanation of A.
Annual assessments of rural education often reveal a significant gap between school enrolment and actual learning levels. Many students attending primary schools struggle with basic tasks such as reading simple sentences or performing elementary arithmetic. This disconnect highlights a systemic crisis where the quality of instruction fails to impart the fundamental competencies required for higher learning and functional literacy.

6. (D) Academic Bank of Credits - Facilitates credit transfer in higher education
Higher education reforms increasingly focus on student mobility and academic flexibility. A digital repository allows students to store and transfer earned credits between different institutions, supporting multiple entry and exit points. This system ensures that academic progress is preserved even if a student changes courses or universities, ultimately promoting a more versatile and multidisciplinary approach to obtaining a degree.

7. (C) 5 + 3 + 3 + 4 structure
Modern educational policy has redesigned the school curriculum to better align with the developmental stages of children. This new framework replaces the traditional system with stages encompassing foundational, preparatory, middle, and secondary education. By including early childhood care and schooling for younger ages, the policy aims to provide a more comprehensive and age-appropriate learning journey for all Indian students.

8. (A) I, II, III
Educational and health policies in India have evolved through various legislative and strategic milestones. The right to free education was legally established first, followed by updated health frameworks aiming for higher public

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stage. This sequential approach ensures that the curriculum and teaching remain appropriate.

25. (D) The employability of graduates and sector-wise demand
Regular assessments of the labor market provide valuable insights into the readiness of the workforce. These reports focus on how well the skills of recent graduates match the requirements of various industries. By analyzing hiring trends and demand across different sectors, policymakers and educators can identify areas where the curriculum needs improvement. This information is essential for addressing unemployment and growth.

26. (A) NER measures the enrolment of the official age group for a given level of education expressed as a percentage of the corresponding population. Enrolment statistics can be calculated in different ways to provide a more accurate picture of school participation. One specific ratio focuses exclusively on children who are in the correct age group for their current grade level. By comparing this number to the total population of that same age, researchers can determine how many students are progressing through the education system.

27. (B) II, III and IV
Combating infectious diseases requires a combination of medical treatment and nutritional support. For conditions like tuberculosis, ensuring that patients receive proper diet is as critical as the medication itself. These diseases are spread through pathogens and represent a major part of the national health challenge. Strategic programs aim to reduce this burden by improving diagnosis and providing financial support.

28. (A) P-II, Q-IV, R-I, S-III
Employment concepts bridge the gap between academic learning and the professional world. High levels of unemployment among graduates often result from a mismatch between their education and market needs. Practical training programs provide the industry exposure necessary to improve job readiness. To encourage these opportunities, the government offers incentives to employers to share the costs, helping to build a workforce.

29. (A) Both A and R are true and R is the correct explanation of A.
Significant progress in maternal health is often the result of targeted national initiatives and better access to medical facilities. By encouraging women to give birth in professional healthcare settings, the government has successfully reduced the risks associated with pregnancy and childbirth. These advancements are in line with global sustainability goals, reflecting a comprehensive effort to improve primary healthcare for mothers.

30. (C) Education - Negatively correlates with life expectancy
Health is influenced by a wide range of social and economic factors. Clean environments and financial stability directly affect a person's ability to prevent and treat illnesses. Employment provides the resources needed for good nutrition and medical care. Contrary to being a negative factor, higher levels of schooling are strongly associated with better health choices and longer lives for individuals.

31. (C) I, II, IV and V
Recent reforms in higher education aim to create a more flexible and student-centered environment. These changes include promoting diverse subject areas, establishing digital credit systems, and increasing the overall number of students enrolled in universities. Institutions are also being granted more independence to innovate. By moving away from rigid structures, the policy seeks to modernize the academic landscape and quality.

32. (C) Ayushman Bharat integrates mental health services at the primary care level through Health and Wellness Centres.
Modern healthcare initiatives recognize that psychological well-being is as important as physical health. By including mental health services within community-based clinics, the government ensures that support is more accessible and less stigmatized. This integrated approach allows for earlier detection and treatment of various conditions at the local level. Such efforts are part of a broader strategy for health.

NODIA

50. (D) The dual burden refers to the simultaneous high prevalence of both communicable and non-communicable diseases.
Many developing countries face a complex health challenge where they must simultaneously combat infectious diseases and chronic lifestyle conditions. While traditional problems like bacterial and viral infections remain significant, there is also a rising incidence of heart disease and diabetes. This situation puts an immense strain on the healthcare system, as it requires resources for both treatments and management of conditions.

51. (A) Beneficiaries can access care strictly in government hospitals and are barred from private networks.
The national health insurance program is designed to provide families with access to a wide range of medical services for serious conditions. It offers a significant amount of coverage per year and includes both public and many accredited private medical facilities. This flexibility ensures that vulnerable populations can receive necessary secondary and tertiary care without facing extreme financial hardship across the country.

52. (C) The mismatch between acquired educational qualifications and prevailing market demands.
High rates of joblessness among those with advanced schooling often point to a significant gap between what is taught and what employers need. While many individuals have completed their studies, their skills may not be relevant to the current requirements of the modern economy. This relevance gap makes it difficult for graduates to find suitable employment even when jobs are available nationwide.

53. (A) Academic Bank of Credits (ABC)
A digital credit system has been introduced to give students more flexibility in their educational journeys. This platform allows learners to store and transfer their academic achievements as they move between different institutions. It supports the idea of multiple entry and exit points, ensuring that the work a student has already completed is not lost if they decide to change universities.

54. (D) It integrates both rural (NRHM) and urban (NUHM) health initiatives to achieve health goals.
National efforts to improve public health have evolved to cover both countryside and city areas through a unified approach. By combining separate initiatives into a single mission, the government can more effectively address the unique healthcare challenges of diverse populations. This integrated strategy focuses on improving primary care, maternal health, and disease control across the entire nation for better outcomes.

55. (C) I and III
Digital platforms for higher education provide a wide range of free online courses designed to make quality learning more accessible. These courses are a central part of the country's effort to modernize education and allow students to earn credits that can be transferred to their regular degree programs. By offering flexible learning options, the platform helps bridge the quality gap.

56. (A) P-III, Q-IV, R-I, S-II
Digital education and health initiatives serve various specialized functions to improve public services. Some platforms provide essential infrastructure and resources for schoolteachers, while others act as repositories for digital textbooks. A unified architectural framework has also been developed to coordinate these technological efforts. In the health sector, specific programs offer nutritional assistance to patients. Together, these initiatives enhance government programs.

57. (A) Both A and R are true and R is the correct explanation of A.
The rapid increase in non-government educational institutions has led to concerns about the fairness of access to quality schooling. Many private schools charge high fees that are often beyond the reach of low-income families, potentially widening the gap between different social groups. Addressing these equity issues is essential for ensuring that every student has an equal opportunity to succeed regardless.

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the country. These studies track essential indicators such as the nutritional status of children, prevalence of iron deficiency, and access to reproductive health services. By monitoring maternal health and family planning practices, policymakers can identify areas where interventions are most needed. This data is crucial for programs.

42. (B) II, I, III, IV
Addressing challenges in the education sector requires a logical approach that moves from recognizing problems to implementing solutions. Identifying where staff are missing is the first step, as these vacancies directly influence the quality of learning for students. Ultimately, long-term policy reforms are needed to improve teacher training and standards, ensuring that every school has high-quality educators for success.

43. (B) Female life expectancy is higher than male life expectancy.
Longevity statistics in many countries, including India, show distinct patterns between different genders. While overall health has improved for the entire population, women generally tend to live longer than men on average. This trend is influenced by various biological factors and differences in lifestyle and health-seeking behavior. Monitoring these figures helps in understanding demographic shifts and specific medical needs.

44. (B) The probability of a child dying between birth and exactly five years of age, expressed per 1,000 live births.
This health indicator measures the likelihood of a child not surviving to their fifth birthday. It is a critical metric for evaluating the overall quality of healthcare, nutrition, and environmental safety available to children in a country. Expressed relative to the number of live births, it allows for comparisons between different regions and over time to track medical progress.

45. (A) I, II and III
Legislation governing elementary education sets clear standards for school operations and student protection. It mandates that schools be available within a reasonable distance from a child's home and strictly forbids any form of physical or mental abuse. Additionally, it outlines specific requirements for building facilities and staffing. To ensure fair access, the law also prohibits schools from using selective testing.

46. (A) P-II, Q-I, R-IV, S-III
Higher education management involves several distinct functions, including quality control and institutional evaluation. Specialized bodies accredit colleges to maintain standards, while digital systems facilitate the movement of academic credits between institutions. For specific groups like tribal communities, residential schools are established. Furthermore, national ranking systems provide a clear comparison of institutions based on their performance in areas like research.

47. (B) Both A and R are true but R is not the correct explanation of A.
Public health policy has established a specific target for government spending to improve medical services across the nation. While current expenditure is significantly lower than desired, the goal is to increase this investment to a higher percentage of the national economy. This gap highlights the need for more resources to ensure that healthcare is affordable and accessible for everyone nationwide.

48. (C) Dengue - Nutritional deficiency disease
Health conditions are categorized by their causes and how they are transmitted. Some diseases are spread by insects like mosquitoes and are considered communicable. Others are chronic conditions related to lifestyle or specific nutritional shortages, such as a lack of iron in the blood. Correctly identifying whether a condition is an infection or a deficiency is essential for effective treatment strategies.

49. (A) I, II, IV and V
Modern educational policy emphasizes the importance of early literacy and numeracy as the foundation for all future learning. It encourages the use of local languages in the classroom to help young children understand complex ideas more easily. The system has also been restructured to better fit developmental stages while allowing students more freedom to choose their subjects for a holistic education.

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This discrepancy leads to high unemployment rates among the educated and hinders the overall productivity of the economy.

17. (B) A child dropping out of school due to poverty, leading to informal employment and subsequently poor health outcomes.
Social issues are deeply interconnected, where a challenge in one area often triggers negative consequences in others. Financial hardship can force students to leave education early, limiting them to low-paying, insecure jobs. These precarious working conditions often result in restricted access to healthcare and poor physical well-being. Recognizing these links is essential for creating comprehensive policies that address social problems.

18. (D) It is a renamed version of the midday meal scheme aimed at providing nutritional support and improving school attendance.
Nutritional programs in schools serve the dual purpose of enhancing child health and encouraging regular attendance. By providing hot, cooked meals to students, the government addresses widespread malnutrition while making education more accessible to children from economically disadvantaged backgrounds. This initiative, which evolved from earlier school meal programs, is a critical component of India's strategy to improve school outcomes.

19. (B) II and III
The availability of qualified teachers is a fundamental requirement for maintaining educational standards. Vacancy rates vary significantly across different regions, often leaving schools understaffed and unable to deliver effective instruction. Filling these positions is essential for ensuring that students receive the attention and quality of education they deserve. Neglecting this issue can lead to declining learning outcomes and increased inequality.

20. (A) P-IV, Q-III, R-I, S-II
Higher education in India is governed by various bodies responsible for funding, quality assurance, and institutional evaluation. Regulatory commissions manage grants and standards, while specialized agencies assess and accredit institutions to ensure academic excellence. National ranking frameworks provide a comparative analysis of colleges based on specific performance criteria. Premier institutes, such as those for technology and management, produce globally talent.

21. (A) Both A and R are true and R is the correct explanation of A.
Health outcomes often reflect the socio-economic and infrastructural differences between regions. States that invest heavily in social welfare and public health infrastructure generally report significantly better survival rates for infants. Conversely, regions with larger populations and limited access to medical facilities face higher mortality rates. These variations demonstrate how effective governance and educational attainment directly influence the health of children.

22. (D) Underweight - Composite measure reflecting both stunting and wasting
Nutritional status in children is assessed using various physical measurements that indicate different types of deficiency. Some measures track long-term growth delays relative to age, while others focus on immediate weight loss compared to height. A broader indicator combines these factors to provide a general view of a child's weight relative to their age group. These metrics are vital for monitoring trends.

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23. (B) Free online course access, Earning academic credits, Credit transfer to parent institution
Digital learning platforms follow a logical progression to support student achievement and formal recognition. Learners begin by accessing educational content online at no cost. After successfully completing the coursework and assessments, they earn specific academic values. These values are then formally integrated into their degree progress at their primary university. This streamlined process encourages lifelong learning and provides a flexible path.

24. (A) I, IV, III, II
The restructured school system organizes learning into four distinct stages based on a child's age and cognitive development. It begins with the earliest years focused on play and foundational skills, followed by a preparatory phase for basic literacy. Students then transition to middle-level education before entering the final secondary

58. (A) Health and Wellness Centres - Delivery of comprehensive primary healthcare
Local medical clinics are essential for providing basic healthcare services directly to communities. These centers focus on preventive care, maternal health, and screening for chronic conditions, bringing essential services closer to where people live. By providing a wide range of primary medical support, they help reduce the burden on larger hospitals and improve the overall health of the population through accessibility.

59. (A) I, II, III
Public investment in social sectors is often measured against targets set by national policies. Current spending on health remains lower than the recommended levels, which aim for a gradual increase in the coming years. Similarly, educational goals call for an even higher percentage of the national economy to be dedicated to schooling. Moving from current levels to future targets is essential.

60. (A) 2, 3, 4, 1
Educational reforms are designed to move students through a logical process that enhances their learning experience and outcomes. It begins with an approach that covers multiple subjects, followed by the accumulation of academic credits in a digital system. These credits can then be moved between different institutions to provide flexibility. Ultimately, these improvements aim to increase the overall number of students.

61. (A) 4.6 percent
Financial investment in the education sector is a key indicator of a nation's commitment to developing human capital. Currently, the amount spent on schooling and higher education as a portion of the overall economy is around four and a half percent. While this reflects significant spending, it remains below the long-standing goals recommended by various policies to improve learning quality across India.

62. (C) Ensuring every child achieves foundational reading and arithmetic competency by Grade 3.
Early education initiatives focus on making sure that all young students master the most basic skills required for future learning. The goal is for every child to be able to read with understanding and solve simple math problems by the time they finish their first few years of school. Mastering these fundamental competencies early is crucial because it prevents a learning crisis.

63. (A) I, II and IV
Child nutrition is monitored through several key indicators that reveal different types of physical deficiency. Some metrics track long-term growth delays, while others identify sudden weight loss. National surveys provide detailed data on these trends, along with information on health issues like anemia. Because conditions vary greatly between regions, this information is essential for designing targeted programs to improve child well-being.

64. (A) P-II, Q-III, R-IV, S-I
National organizations and missions are responsible for managing different aspects of social development. Some bodies focus on funding and promoting a culture of research in universities, while others evaluate the quality of technical education. Regulatory commissions manage grants for higher learning. In the health sector, integrated missions coordinate medical services. Each of these entities plays a specific role in ensuring quality.

65. (A) Both A and R are true and R is the correct explanation of A.
The use of temporary staff on short-term contracts to fill teaching positions is a controversial topic in education policy. While these appointments help schools manage budget constraints and address immediate vacancies, there are significant concerns about the level of training these individuals receive. A lack of proper pedagogical background can negatively affect the quality of instruction provided to students nationwide.

66. (D) Kasturba Gandhi Balika Vidyalaya - Targets boys in urban slums
Educational programs are often designed to support specific marginalized groups to ensure that no child is left behind. Some initiatives provide residential schooling for tribal students, while others integrate various school programs into a single framework. Nutritional schemes also play a key role in supporting students by providing meals. However, it is important to correctly identify each program's demographic focus.

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67. (A) I, II, III and V
The national health profile is shaped by a mix of infectious diseases and long-term chronic conditions. While traditional problems like tuberculosis and malaria remain major concerns, there is a growing incidence of lifestyle-related issues like diabetes and heart disease. Additionally, the importance of psychological well-being is increasingly recognized. Managing this range of medical challenges requires a strategy that provides for all.

68. (C) It involves stipend sharing and aims to scale up employer participation in training.
To improve the employability of the workforce, the government encourages practical training through partnerships with employers. These programs involve the government sharing the cost of payments to trainees, which helps reduce the financial burden on businesses. By increasing the number of companies participating, the policy aims to give more individuals the industry-relevant skills and experience needed for find permanent jobs.

69. (A) It allows the detention of students who fail their final examinations in primary school.
Laws governing elementary education focus on ensuring that all children have access to schooling and can progress without unnecessary barriers. These regulations mandate free education and set standards for school buildings and teacher qualifications. A key feature of this legal framework is the emphasis on continuous learning, which typically prevents schools from failing students in lower grades to reduce early dropouts.

70. (D) To address the severe learning crisis identified by reports like ASER, which showed many students lack basic reading and arithmetic skills.
Assessments of student achievement have often revealed that a large number of children in primary school struggle with basic academic tasks. This discovery has led to a policy shift that prioritizes mastering fundamental literacy and math skills in the early grades. Without these core competencies, students are unable to understand more advanced subjects. Addressing this gap is a critical step.

71. (B) Engineering graduates working in jobs that do not require technical degrees due to a lack of industry-relevant practical skills.
The gap between education and the labor market is clearly seen when individuals with advanced degrees are unable to find roles matching their qualifications. This often happens because the curriculum studied in universities does not provide the specific practical skills required by modern industries. As a result, many graduates are forced to take positions that do not use their technical training.

72. (C) It assesses and ranks Indian higher education institutions based on specific parameters like teaching, learning, and research.
A national system has been established to evaluate the performance of colleges and universities across the country. This framework uses various criteria, such as the quality of instruction, research output, and student outcomes, to create a comparative ranking of institutions. By providing a clear and transparent measure of academic excellence, the system encourages healthy competition between schools and helps students.

73. (A) I and III
Community health volunteers are a vital link between local populations and the formal healthcare system. These individuals focus on raising awareness about health issues and helping families access the medical services they need. They are typically given incentives based on their performance in areas like encouraging immunizations. While they play a key role, they are not medical professionals and perform surgeries.

74. (A) P-I, Q-II, R-III, S-IV
Various reports and programs monitor different parts of the social sector to identify areas for improvement. Some assessments focus on learning levels in rural schools, while others track how employable graduates are in the job market. Large-scale government schemes provide integrated support for school education. Additionally, specialized agencies are responsible for evaluating and accrediting institutions to ensure high standards.

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75. (A) Both A and R are true and R is the correct explanation of A.
Educational research suggests that children understand and retain information much better when they are taught in the language they speak at home. This finding has led to policy recommendations that encourage using regional or mother tongues during the first few years of school. By learning in a familiar language, students can grasp complex concepts more quickly and develop a stronger foundation.

76. (B) Educated unemployment - Arises primarily due to the relevance gap and skill mismatch
Joblessness among those with advanced schooling is a significant social problem that often stems from a disconnect between education and the needs of the economy. This situation occurs when the qualifications graduates have obtained do not match the specific skills required by employers. Addressing this issue requires ensuring that the education system provides students with practical, relevant training that meets modern standards.

77. (A) Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA), and Teacher Education (TE)
A unified national program was created by bringing together several existing initiatives for primary and secondary schooling, along with programs for training educators. This integrated approach aims to provide seamless support for children throughout their entire school journey. By coordinating these different efforts under a single framework, the government can more effectively manage resources and work toward improving education quality.

78. (A) I, II, III
Healthcare interventions move from preventing illness at the community level to treating serious conditions in hospitals. This progression starts with basic hygiene and sanitation to stop the spread of disease. The next stage involves regular check-ups at local clinics to identify chronic issues early. Finally, for severe medical problems, insurance programs provide the financial support needed for hospitalization and tertiary care.

79. (B) 2025
The national strategy for combating tuberculosis has set an ambitious goal to end the disease in the country several years ahead of the global deadline. This effort involves improving early diagnosis, ensuring that all patients complete their treatment, and providing nutritional support to those affected. By intensifying these programs, the government aims to significantly reduce cases and eliminate this health threat.

80. (C) The number of maternal deaths per 1,00,000 live births in a given period.
This vital health indicator tracks the number of women who die due to causes related to pregnancy and childbirth. It is measured relative to a large number of live births to provide a clear picture of maternal safety across different regions. Reducing this figure is a primary goal of public health programs that encourage institutional deliveries and improve postnatal care.

81. (A) I, II and IV
Modern higher education frameworks aim to provide students with more flexibility by allowing them to study a diverse range of subjects and move between institutions more easily. This is supported by a digital system for storing and transferring academic credits. These reforms are designed to modernize the university system, improve academic standards, and ensure that education is adaptable to contemporary needs.

82. (A) P-I, Q-III, R-IV, S-II
Health conditions are categorized based on their causes and how they affect the body. Some are infectious diseases caused by bacteria or viruses that can spread between people. Others are non-communicable, chronic issues such as metabolic disorders. Correctly identifying these types of illnesses is essential for developing the right public health responses and treatment plans to focus on infection control.

83. (A) Both A and R are true and R is the correct explanation of A.
Hands-on training and internships are essential tools for preparing students for the workforce. By providing students with direct experience in a professional environment, these programs help them develop the practical skills that are often missing from traditional coursework.

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100. (C) Setting up residential schools specifically for girls from disadvantaged groups at the upper primary level.

Specialized educational initiatives support girls from marginalized communities who face barriers to staying in school. By providing residential facilities, these programs create a safe environment that allows students to continue their studies without domestic pressures. This approach is essential for reducing the gender gap in school completion rates and ensuring that all girls have the opportunity to succeed academically.

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92. (B) The death of an infant before reaching one year of age, expressed per 1,00,000 live births.
This health statistic measures the number of children who do not survive their first year of life. It is a critical indicator of the overall well-being of a population and the quality of healthcare available to newborns. By comparing this number to the total number of live births, policymakers can identify regions where more medical support and nutritional programs are needed.

93. (A) It revealed a significant learning crisis, noting that many rural students lack foundational reading and arithmetic competency.
Regular assessments of educational outcomes in rural areas have consistently highlighted a major gap between the number of children in school and the actual skills they possess. Many students in primary grades struggle with basic tasks such as reading simple text or performing elementary calculations. This discovery has brought attention to the need for a greater focus on learning quality nationwide.

94. (C) Kerala generally records a higher Infant Mortality Rate (IMR) than Uttar Pradesh.
Health statistics show significant differences between states, reflecting varied socio-economic conditions and medical systems. Some regions with high literacy and robust public health programs report much better child survival rates. Conversely, states with larger populations often face greater challenges in reducing mortality. Understanding these variations is vital for designing effective policies that address the specific health needs of different populations.

95. (D) SDGs promote an integrated approach, recognizing that actions in health, education, and employment affect outcomes in one another.
International development goals emphasize the importance of tackling social challenges through a coordinated strategy. This approach recognizes that problems like poor health, lack of education, and unemployment are all interconnected. Improving outcomes in one area can lead to positive changes in others, making interventions more effective. By focusing on these linked goals, policymakers can create comprehensive solutions that address the poverty.

96. (C) Implementing the PM POSHAN (midday meal) scheme in schools.
Providing nutritional support within educational institutions is an effective way to address multiple social challenges at once. By offering regular meals to students, the government can improve child health while providing a strong incentive for school attendance. This combined approach helps increase enrolment and ensures that students are well-fed and ready to learn, especially those from economically disadvantaged backgrounds across India.

97. (B) Delivering comprehensive primary healthcare and bringing medical services closer to the community.
Local health centers are a fundamental part of the national strategy to make medical care more accessible to everyone. These facilities provide essential services, including preventive care and screening for chronic conditions, right within the community. By offering support at the local level, the government reduces the need for travel and ensures that healthcare is both affordable and available to all citizens.

98. (D) 1.28 percent
The amount of national resources currently dedicated to public medical services is a key measure of health system capacity. At present, government spending on healthcare as a portion of the economy remains significantly below the levels recommended by experts. This limited funding highlights the urgent need for more investment in public hospitals to ensure that healthcare is accessible to all citizens nationwide.

99. (A) Employment in sectors that lack job security, formal contracts, and adequate social protection.
Working in the unregulated sector is a major social challenge because employees often lack the protections and benefits found in formal jobs. These workers typically have no legal contracts, making their positions very insecure. Without access to essential social safety nets like health insurance, they face financial instability. This lack of security is a major concern for national development policies.

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This industry exposure makes graduates more attractive to employers and helps bridge the gap between education and the needs of the modern economy.

84. (C) UGC - Disburses health insurance to students
Educational organizations have specific roles related to funding, accreditation, and research. Some agencies are responsible for evaluating the quality of colleges and universities, while others provide rankings based on institutional performance. New bodies have also been proposed to promote a research culture. However, the primary role of regulatory commissions in the education sector is to manage academic standards and grants.

85. (A) I, II, IV and V
Child nutrition is measured using several indicators that reveal different types of physical deficiency. Some metrics track long-term growth delays, while others identify sudden weight loss requiring immediate medical attention. National surveys show that while progress has been made, significant differences still exist between states. Monitoring these variations is essential for designing effective programs that address the specific needs of children.

86. (D) The National Health Policy 2017 targets increasing public health expenditure to 2.5 percent of the GDP.
Public investment in healthcare is a key indicator of a nation's commitment to the well-being of its citizens. Current government spending on medical services is lower than desired, leading to policy goals that call for a significant increase in this investment. Reaching these targets is essential for improving the quality of public hospitals and ensuring that healthcare is accessible nationwide.

87. (B) There is no noticeabe difference in dropout rates among SC/ST children compared to the general population.
The number of students leaving school before completion is influenced by many factors, including poverty and inadequate infrastructure. These rates tend to be higher in later years of schooling compared to the early grades. Social and economic disparities also play a major role, as children from marginalized communities often face greater challenges in staying in school and completing their elementary education.

88. (C) Life expectancy at birth
The average number of years a person is expected to live is a primary measure used to assess the overall health of a nation. This figure reflects the cumulative impact of various factors, including the quality of healthcare and nutrition. A higher number typically indicates that a country has successfully reduced mortality rates and improved the well-being of its citizens nationwide.

89. (D) An engineering graduate unable to find work because the curriculum studied does not match current industry technology standards.
High levels of unemployment among those with advanced degrees often point to a significant disconnect between what is taught in institutions and what is needed in the workplace. This situation occurs when students learn theories or technologies that have become outdated, leaving them without the practical skills required by employers. Addressing this gap requires frequent updates to academic programs and closer collaboration.

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90. (A) They aim to provide quality residential education to tribal children from Class 6 to 12.
Specialized residential schools have been established to ensure that children from tribal communities have access to high-quality education. These institutions provide a supportive living and learning environment for students in middle and secondary grades, helping to bridge the gap in educational opportunities. By focusing on academic excellence, these schools aim to empower tribal youth and prepare them for future careers nationwide.

91. (C) 6.0 percent
National policy frameworks have long recommended a specific target for government spending on the education sector to ensure high-quality learning for all. This goal aims for a significant portion of the country's economic output to be dedicated to schooling and research. Reaching this target is seen as essential for modernizing school infrastructure and expanding access to educational opportunities for everyone.

CHAPTER 19

International Trade and Balance of Payments

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1. Consider the following statements regarding the classical theories of international trade:

I. Adam Smith proposed the theory of Absolute Advantage based on labour productivity.

II. David Ricardo's Comparative Advantage theory argues that trade is beneficial even if one country has an absolute advantage in all goods.

III. The Heckscher-Ohlin theory explains trade purely based on technological differences between nations, ignoring factor endowments.

Which of the above statement(s) is/are correct?

(A) I and II
(B) I and III
(C) III only
(D) II only
(E) Answer not known

2. Consider the following statements regarding India's Foreign Trade Policy 2023-2028:

I. It sets a target of achieving $2 trillion in overall exports by the year 2030.

II. It introduces the 'Districts as Export Hubs' initiative to decentralise export promotion.

III. It officially reintroduces the Merchandise Exports from India Scheme (MEIS) to replace RoDTEP.

IV. The policy exclusively focuses on merchandise exports and excludes the services sector from its ambit.

Which of the above statement(s) is/are incorrect?

(A) I, II and III
(B) II, III and IV
(C) III and IV
(D) I and IV
(E) Answer not known

3. Consider the following statements about the components of a country's Balance of Payments (BoP):

I. Foreign Direct Investment (FDI) inflows are recorded in the Capital Account.

II. Inward remittances from expatriates are recorded as secondary income in the Current Account.

III. External Commercial Borrowings (ECBs) by Indian corporates are classified under the Current Account.

IV. Trade in software and IT services is recorded under the Capital Account.

V. Foreign Portfolio Investment (FPI) is recorded under the Capital Account.

Which of the above statement(s) is/are correct?

(A) I, II, III and IV
(B) II, III, IV and V
(C) I, II and V
(D) I, III and IV
(E) Answer not known

4. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.

Assertion (A): India has historically experienced a persistent deficit in its merchandise trade balance.

Reason (R): India's import basket is heavily dominated by essential but high-value commodities like crude petroleum and gold, which outpace the value of its exported goods.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

5. Match the trade theories or concepts in List I with their primary proponents or associated characteristics in List II:

II. Tariff binding means a country commits not to raise tariffs above a specified level without compensating affected trade partners.
III. The Doha Development Round was primarily launched to eliminate all forms of Regional Trade Agreements.
IV. India has never utilized the WTO Dispute Settlement mechanism as a complainant.
V. The Most Favoured Nation (MFN) principle dictates that a special favour granted to one WTO member must be granted to all other WTO members.

Which of the above statement(s) is/are correct?
(A) I, II, IV and V
(B) II, III, IV and V
(C) I, II and V
(D) I, III and IV
(E) Answer not known

19. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.

Assertion (A): Foreign Portfolio Investment (FPI) is often referred to as 'hot money' in the context of emerging markets like India.

Reason (R): FPI flows are highly sensitive to short-term interest rate differentials and can be rapidly withdrawn, leading to exchange rate volatility.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

20. Match the institutions or agreements in List I with their primary functions or objectives in List II:

List I: (Institution/Agreement)
P. EXIM Bank
Q. ECGC
R. Bilateral Investment Treaty (BIT)
S. RCEP

List II: (Function/Objective)
I. Provides export credit insurance facilities to exporters
II. Protects and promotes investments between two sovereign states
III. Finances, facilitates, and promotes India's foreign trade
IV. A mega regional free trade agreement in the Asia-Pacific

(A) P-III, Q-I, R-II, S-IV
(B) P-I, Q-III, R-IV, S-II
(C) P-III, Q-II, R-I, S-IV
(D) P-II, Q-IV, R-III, S-I
(E) Answer not known

21. Which of the following represents the correct order of the stages of a WTO dispute settlement process?
(A) Panel Establishment → Appellate Body Review → Consultations → Retaliation
(B) Consultations → Panel Establishment → Appellate Body Review → Implementation/ Retaliation
(C) Retaliation → Consultations → Panel Establishment → Appellate Body Review
(D) Appellate Body Review → Consultations → Panel Establishment → Implementation
(E) Answer not known

22. Arrange the following components of India's import basket in descending order of their value (based on standard trends of recent years):
I. Electronic Goods
II. Crude Petroleum
III. Gold
IV. Machinery
(A) II, I, III, IV
(B) II, III, I, IV
(C) I, II, IV, III
(D) II, I, IV, III
(E) Answer not known

23. Which of the following pairs regarding India's Free Trade Agreements (FTAs) is incorrectly matched?
(A) CEPA - India and United Arab Emirates
(B) ECTA - India and Australia
(C) CECA - India and Singapore
(D) RCEP - India is a founding and current active member
(E) Answer not known

24. According to World Bank data, what is India's global position in terms of receiving personal remittances from its diaspora in recent years?
(A) The world's largest receiver of remittances

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generally leads to a widening of the CAD.
(B) Inward remittances from the diaspora act as a key factor that helps reduce the CAD.
(C) India's services trade surplus is always sufficient to ensure a current account surplus.
(D) Large-scale imports of non-essential gold significantly worsen the merchandise trade balance.
(E) Answer not known

13. If the Reserve Bank of India attempts to prevent a sharp depreciation of the Indian Rupee against the US Dollar, which of the following actions is it most likely to take in the foreign exchange market?
(A) Purchase US Dollars and sell Indian Rupees
(B) Reduce the Repo Rate aggressively
(C) Increase the import duty on all foreign goods
(D) Sell US Dollars from its foreign exchange reserves
(E) Answer not known

14. Which of the following is NOT an exception to the Most Favoured Nation (MFN) principle under the World Trade Organisation (WTO) rules?
(A) Establishing a comprehensive Free Trade Agreement or a Customs Union with specific partners
(B) Providing preferential market access to developing nations under the Generalized System of Preferences
(C) Arbitrarily increasing bound tariff rates on a single member country without WTO approval
(D) Imposing specific anti-dumping duties on products from a country engaging in unfair trade
(E) Answer not known

15. In the context of international trade, what does the concept 'Terms of Trade' explicitly define?
(A) The physical volume of goods exported divided by the physical volume of goods imported
(B) The ratio of the index of a country's export prices to the index of its import prices
(C) The specific contractual payment timeline agreed between an importer and exporter
(D) The difference between a country's total current account and capital account
(E) Answer not known

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16. Consider the following statements regarding the Remission of Duties and Taxes on Export Products (RoDTEP) scheme:
I. It was introduced to replace the MEIS because MEIS was found to be inconsistent with WTO norms.
II. It refunds embedded central, state, and local duties and taxes that were previously non-recoverable.
III. It provides a direct cash subsidy to exporters irrespective of the taxes paid during production.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) III only
(D) I only
(E) Answer not known

17. Consider the following statements about Special Economic Zones (SEZs) in India:
I. They are treated as foreign territory for the purpose of trade operations, duties, and tariffs.
II. They operate under a single window clearance mechanism for central and state level approvals.
III. The SEZ scheme mandates that units must export at least 90% of their total output within the first year.
IV. Units in SEZs are completely exempt from the Minimum Alternate Tax (MAT) indefinitely.
Which of the above statement(s) is/are incorrect?
(A) I, II and III
(B) III and IV
(C) I, III and IV
(D) I and II
(E) Answer not known

18. Consider the following statements regarding the World Trade Organisation (WTO) and its principles:
I. The National Treatment principle requires that imported and locally-produced goods be treated equally once they enter the domestic market.

(A) I and III
(B) II and III
(C) II only
(D) I only
(E) Answer not known

32. Consider the following statements about the 'Districts as Export Hubs' initiative:
I. It aligns with the 'One District One Product' (ODOP) concept.
II. In Tamil Nadu, Kanchipuram is identified primarily for its silk products under this scheme.
III. The scheme prohibits state governments from forming export promotion committees.
IV. The scheme exclusively focuses on agricultural products.
Which of the above statement(s) is/are incorrect?
(A) I, II and III
(B) I, III and IV
(C) III and IV
(D) I and IV
(E) Answer not known

33. Consider the following statements regarding Bilateral Investment Treaties (BITs):
I. They establish terms and conditions for private investment by nationals of one state in another state.
II. India's new Model BIT (2015) emphasizes the exhaustion of local remedies before invoking international arbitration.
III. BITs are multilateral agreements negotiated at the WTO forum.
IV. They commonly include provisions for fair and equitable treatment and protection against expropriation.
V. India has systematically terminated several older BITs to replace them aligned with its new Model BIT.
Which of the above statement(s) is/are correct?
(A) I, II, IV and V
(B) I, II, III and IV
(C) II, III and V
(D) I, III and IV
(E) Answer not known

34. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.

Assertion (A): The Doha Development Round of the WTO has experienced a prolonged stalemate since its launch in 2001.
Reason (R): Developed and developing nations have fundamental disagreements, particularly regarding agricultural subsidies and market access for industrial goods.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

35. Match the Tamil Nadu districts in List I with their major export products in List II:
List I: (District)
P. Sivakasi (Virudhunagar)
Q. Thoothukudi
R. Chennai
S. Salem
List II: (Export Product)
I. Salt and Marine products
II. Automobiles and Auto-components
III. Safety Matches and Printing
IV. Sago and Steel
(A) P-III, Q-I, R-II, S-IV
(B) P-I, Q-III, R-IV, S-II
(C) P-III, Q-II, R-I, S-IV
(D) P-II, Q-I, R-III, S-IV
(E) Answer not known

36. Which of the following represents the correct sequential order of economic integration from the least integrated to the most integrated?
(A) Customs Union → Free Trade Area → Common Market → Economic Union
(B) Free Trade Area → Customs Union → Common Market → Economic Union
(C) Free Trade Area → Common Market → Customs Union → Economic Union
(D) Economic Union → Common Market → Customs Union → Free Trade Area
(E) Answer not known

37. Arrange the following sources of India's imports in descending order based on total trade value (recent trends):
I. China
II. United Arab Emirates

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(B) Second largest receiver after China
(C) Third largest receiver after Mexico and the Philippines
(D) Fifth largest receiver of remittances globally
(E) Answer not known

25. The concept of 'Infant Industry Argument' in international trade is most closely associated with the rationale for:
(A) Immediate implementation of full Capital Account Convertibility
(B) Import substitution and early-stage tariff protection
(C) Abolishing all export promotion councils
(D) Joining mega regional trade agreements like RCEP
(E) Answer not known

26. Which of the following statements regarding the 'Peace Clause' at the WTO is correct?
(A) It establishes a permanent ban on the imposition of customs duties on electronic transmissions.
(B) It protects developing nations' food security stockholding programmes from legal trade challenges.
(C) It mandates a complete reduction in the global trade of military-grade equipment and arms.
(D) It prevents any member nation from joining plurilateral agreements that exclude other members.
(E) Answer not known

27. Which of the following is an incorrect statement regarding India's withdrawal from the Regional Comprehensive Economic Partnership (RCEP)?
(A) India left RCEP because the agreement specifically banned the export of all IT services.
(B) India anticipated a surge in low-cost manufactured imports that would damage domestic firms.
(C) India was worried about the impact of competitive dairy imports from Oceania on rural farmers.
(D) The deal failed to provide robust and effective mechanisms to prevent sudden import surges.
(E) Answer not known

28. If an Indian exporter receives payment in US Dollars, and the Reserve Bank of India (RBI) purchases these Dollars thereby increasing the domestic money supply, what mechanism does the RBI use to absorb this excess liquidity and curb inflation?
(A) Quantitative Easing
(B) Deficit Financing
(C) Sterilization (through Open Market Operations)
(D) Currency Devaluation
(E) Answer not known

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29. Which of the following elements is NOT considered a part of a country's Capital Account in the Balance of Payments?
(A) Foreign Direct Investment (FDI)
(B) External Commercial Borrowings (ECBs)
(C) Non-Resident Indian (NRI) deposits
(D) Primary income (Investment income like dividends and interest)
(E) Answer not known

30. What is the fundamental feature of a 'Managed Float' exchange rate system, as followed by India?
(A) The exchange rate is rigidly fixed to the value of gold by the central bank.
(B) The exchange rate is allowed to float freely with zero central bank intervention under any circumstances.
(C) The market determines the exchange rate, but the central bank intervenes to prevent excessive volatility.
(D) The currency value is determined solely by the government through legislative decree rather than market forces.
(E) Answer not known

31. Consider the following statements regarding Capital Account Convertibility (CAC) in India:
I. The S.S. Tarapore Committee laid down specific macroeconomic preconditions for moving towards fuller CAC.
II. India currently allows full and unrestricted Capital Account Convertibility for all resident individuals and corporates.
III. Partial convertibility exists, meaning certain limits and RBI regulations apply to capital outflows.
Which of the above statement(s) is/are correct?

List I: (Concepts)
P. Absolute Advantage
Q. Comparative Advantage
R. Factor Endowments
S. Capital Account Convertibility
List II: (Proponents/Characteristics)
I. S.S. Tarapore
II. David Ricardo
III. Adam Smith
IV. Heckscher-Ohlin
(A) P-III, Q-II, R-IV, S-I
(B) P-II, Q-III, R-I, S-IV
(C) P-III, Q-IV, R-II, S-I
(D) P-IV, Q-II, R-III, S-I
(E) Answer not known

6. Which of the following represents the correct historical sequence of India's broad trade policy orientations since Independence?
(A) Export Promotion → Import Substitution → FTAs proliferation → Liberalisation
(B) Import Substitution → Liberalisation and Export Orientation → FTAs proliferation → Atmanirbhar Bharat (Self-reliance with integration)
(C) Liberalisation → Import Substitution → Atmanirbhar Bharat → Export Optimism
(D) Atmanirbhar Bharat → Export Promotion → Import Substitution → Liberalisation
(E) Answer not known

7. Arrange the following countries in the descending order of their share as destinations for India's merchandise exports (based on recent standard trends of 2022-2023):
I. United States of America
II. United Arab Emirates
III. China
IV. Netherlands
(A) I, II, IV, III
(B) I, III, II, IV
(C) II, I, III, IV
(D) I, II, III, IV
(E) Answer not known

8. Which of the following pairs concerning India's export promotion infrastructure is correctly matched?
(A) ECGC - Provides credit insurance cover to exporters against various payment risks
(B) RoDTEP - Refunds various domestic taxes and duties to ensure global price competitiveness
(C) SEZ Act 2005 - Framework establishing designated zones to promote exports and investments
(D) MEIS - Previous incentive scheme that was officially phased out to align with WTO norms
(E) Answer not known

9. Which specific district in Tamil Nadu is internationally renowned as the 'Dollar City' due to its massive contribution to India's cotton knitwear and readymade garment exports?
(A) Coimbatore
(B) Tiruppur
(C) Erode
(D) Karur
(E) Answer not known

10. Which international institutional framework did the World Trade Organisation (WTO) officially replace upon its establishment in 1995?
(A) United Nations Conference on Trade and Development (UNCTAD)
(B) General Agreement on Tariffs and Trade (GATT)
(C) International Trade Organisation (ITO)
(D) World Customs Organization (WCO)
(E) Answer not known

11. Which of the following statements regarding Foreign Direct Investment (FDI) in India is correct?
(A) FDI involves long-term capital investment and management control in a resident enterprise.
(B) FPI focuses on buying equity or debt in financial markets for short-term gains.
(C) Domestic investment refers to the flow of internal capital within national production sectors.
(D) External borrowing involves securing loans from international financial institutions or banks.
(E) Answer not known

12. Which of the following is an incorrect statement regarding India's Current Account Deficit (CAD)?
(A) A sudden surge in global crude oil prices

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III. United States of America
IV. Russia
(A) I, IV, II, III
(B) I, III, II, IV
(C) III, I, II, IV
(D) I, II, III, IV
(E) Answer not known

38. Which of the following pairs concerning the components of the Balance of Payments is correctly matched?
(A) Merchandise Trade - Invisible account
(B) Remittances - Capital Account
(C) Tourism receipts - Current Account (Services)
(D) External Commercial Borrowings - Foreign Exchange Reserves
(E) Answer not known

39. NASSCOM provides key data and acts as the apex body primarily for which major export-oriented sector in India?
(A) Gems and Jewellery
(B) Pharmaceutical and generic medicines
(C) Automobile components
(D) IT and Business Process Management (BPM) services
(E) Answer not known

40. In the context of foreign trade, the term 'Export Oriented Units' (EOUs) was introduced to:
(A) Units operating anywhere in India with tax benefits similar to SEZs for 100% export activity.
(B) Special administrative zones created to facilitate trade outside the national customs territory.
(C) Regulatory frameworks used to restrict the export of agricultural items for food security goals.
(D) Sovereign credit guarantees provided to other developing nations to purchase Indian products.
(E) Answer not known

41. Which of the following statements regarding India's trade in services is correct?
(A) India consistently runs a deficit in its services trade.
(B) A surplus in services trade helps partially offset India's merchandise trade deficit.
(C) The export of IT and software services constitutes the smallest share of India's services exports.
(D) Foreign Direct Investment is strictly prohibited in the Indian services sector.
(E) Answer not known

42. Which of the following is an incorrect statement regarding the Export-Import Bank of India (EXIM Bank)?
(A) It provides financial assistance to exporters and importers.
(B) It acts as the primary regulator of the foreign exchange market, formulating exchange rate policies instead of the RBI.
(C) It functions as the principal financial institution for coordinating the working of institutions engaged in financing export and import trade.
(D) It provides Lines of Credit (LOCs) to overseas financial institutions and foreign governments.
(E) Answer not known

43. Which of the following scenarios describes the situation of a 'Sudden Stop' in international capital flows?
(A) Abrupt reversal of foreign capital inflows causing liquidity constraints and currency depreciation.
(B) Rapid increase in foreign direct investment driven by major structural liberalisation policies.
(C) Gradual long-term decline in inward remittance flows due to shifting global demographic trends.
(D) Deliberate decision by the central bank to cease the acquisition of foreign currency reserves.
(E) Answer not known

44. Which of the following is NOT classified as a Non-Tariff Barrier (NTB) to trade?
(A) Sanitary and Phytosanitary (SPS) measures
(B) Import quotas and licensing requirements
(C) Ad valorem import duties
(D) Technical Barriers to Trade (TBT)
(E) Answer not known

45. What does the term 'Import Cover' of Foreign Exchange Reserves indicate?

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members.
(D) It treats regional Free Trade Agreements as a legitimate and formally recognized exception.
(E) Answer not known

58. If a multinational corporation establishes a new manufacturing plant in Tamil Nadu (a greenfield investment), this capital inflow will be recorded in the Balance of Payments as:
(A) Foreign Portfolio Investment under Current Account
(B) Foreign Direct Investment under Capital Account
(C) External Commercial Borrowing under Current Account
(D) Secondary Income under Capital Account
(E) Answer not known

59. Which of the following is NOT a feature of India's Foreign Trade Policy 2023-2028?
(A) Reinstating quantitative import quotas on all electronic goods to protect local MSMEs
(B) A shift from incentive-based regimes to a remission of taxes regime
(C) Focus on e-commerce exports and establishing E-Commerce Export Hubs
(D) Setting a combined export target of $2 trillion for goods and services by 2030
(E) Answer not known

60. The term 'Balance of Payments' is best defined as:
(A) Difference between the revenue from customs duties and the total spending on export subsidies.
(B) Total sum of a country's external sovereign debt and its internal fiscal deficit within a budget year.
(C) Systematic record of all economic transactions between residents of a country and the rest of the world.
(D) Net difference between a country's total tax revenue and its total public expenditure over one year.
(E) Answer not known

61. Consider the following statements regarding External Commercial Borrowings (ECBs):
I. ECBs are commercial loans raised by eligible resident entities from recognised non-resident entities.
II. The RBI stringently regulates ECBs to manage India's external debt and prevent excessive foreign exchange risk.
III. ECBs do not carry any currency risk for the borrowing Indian entity even if left unhedged.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) III only
(D) I only
(E) Answer not known

62. Consider the following statements regarding the types of capital inflows:
I. Foreign Direct Investment (FDI) generally brings technology and managerial expertise.
II. Foreign Portfolio Investment (FPI) is generally more volatile and short-term than FDI.
III. FDI only involves purchasing government bonds.
IV. FPI represents a long-term strategic interest in domestic manufacturing.
Which of the above statement(s) is/are incorrect?
(A) I, II and III
(B) III and IV
(C) I and IV
(D) II, III and IV
(E) Answer not known

63. Consider the following statements about India's historically shifting trade directions:
I. During the colonial period, India was primarily an exporter of manufactured goods and importer of raw materials.
II. Post-independence, trade policies initially favored import substitution to build self-reliance.
III. After 1991, India actively pursued outward orientation and export promotion.
IV. Currently, the UAE and the USA are among India's top trading partners.
V. India currently runs a persistent trade surplus with China.
Which of the above statement(s) is/are correct?
(A) II, III and IV
(B) I, II, III and V
(C) II, III, IV and V
(D) I, IV and V

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government to exporters
III. A commitment not to increase tariffs above a listed rate
IV. A tax on imports priced below their normal value in the exporting country
(A) P-III, Q-IV, R-I, S-II
(B) P-IV, Q-III, R-II, S-I
(C) P-III, Q-I, R-IV, S-II
(D) P-I, Q-IV, R-III, S-II
(E) Answer not known

51. Which of the following represents the correct sequence of the composition of India's Foreign Exchange Reserves from largest to smallest share?
(A) Gold → Foreign Currency Assets → SDRs → Reserve Tranche Position
(B) Foreign Currency Assets → Gold → SDRs → Reserve Tranche Position
(C) Foreign Currency Assets → SDRs → Gold → Reserve Tranche Position
(D) SDRs → Foreign Currency Assets → Gold → Reserve Tranche Position
(E) Answer not known

52. Arrange the following historical events related to India's trade policy in chronological order:
I. Establishment of Special Economic Zones (SEZ) Act
II. Abolition of quantitative restrictions on most imports
III. Transition to a Managed Float Exchange Rate system
IV. Enactment of the Foreign Exchange Management Act (FEMA)
(A) III, IV, II, I
(B) IV, III, I, II
(C) III, II, IV, I
(D) II, III, IV, I
(E) Answer not known

53. Which of the following pairs regarding India's export commodities is incorrectly matched?
(A) Engineering Goods - Largest segment of India's merchandise exports
(B) Software Services - A major contributor to capital account surplus
(C) Petroleum Products - Exported heavily after refining imported crude oil
(D) Gems and Jewellery - High import intensity due to rough diamond imports
(E) Answer not known

54. According to the Heckscher-Ohlin theory, a labour-abundant country like India should logically base its export structure on:
(A) Capital-intensive goods
(B) Goods requiring large tracts of uncultivated land
(C) Labour-intensive goods
(D) Goods heavily reliant on imported proprietary technology
(E) Answer not known

55. What was the main recommendation of the Tarapore Committee (1997 and 2006) constituted by the RBI?
(A) To immediately ban all forms of foreign portfolio investments
(B) To suggest measures for withdrawing from the WTO
(C) To evaluate the effectiveness of the MEIS scheme
(D) To lay down a roadmap for Capital Account Convertibility
(E) Answer not known

56. Which of the following statements about 'Current Account Convertibility' in India is correct?
(A) It allows free conversion of the Rupee for imports, exports, and remittances.
(B) It was fully achieved only in 2021.
(C) It restricts Indian citizens from acquiring foreign currency for medical treatment abroad.
(D) It implies that anyone can freely convert Rupees to buy real estate in foreign countries.
(E) Answer not known

57. Which of the following is an incorrect statement regarding the Most Favoured Nation (MFN) principle?
(A) It serves as a fundamental cornerstone principle for the modern international trading system.
(B) It allows nations to apply high tariffs on developing countries and low tariffs for developed ones.
(C) It requires that any trade benefit granted to one member must be extended to all other

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food security and support poor farmers, which sometimes breach WTO subsidy limits.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

96. Match the Free Trade Agreements (FTAs) of India in List I with their partner countries or regions in List II:
List I: (Agreement)
P. CEPA
Q. ECTA
R. SAFTA
S. ASEAN-India FTA
List II: (Partner)
I. Australia
II. United Arab Emirates
III. Southeast Asian Nations
IV. South Asian Nations
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-IV, R-I, S-III
(D) P-IV, Q-III, R-II, S-I
(E) Answer not known

97. Which of the following pairs regarding trade terminologies is correctly matched?
(A) Balance of Trade - Includes only the trade of visible goods (merchandise)
(B) Trade Deficit - When export earnings exceed import expenditures
(C) Tariff Binding - A quantitative restriction on the maximum units imported
(D) Most Favoured Nation - Refusing trade with a specific WTO member
(E) Answer not known

98. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): The Government of India aggressively promotes Export Oriented Units (EOUs) and Special Economic Zones (SEZs).
Reason (R): India's Current Account Deficit is structurally burdened by heavy imports of crude oil and gold.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

99. Match the Indian cities in List I with their prominent export sectors in List II:
List I: (City)
P. Surat
Q. Bengaluru
R. Tiruppur
S. Pune
List II: (Export Sector)
I. IT and Software Services
II. Automobiles and Engineering
III. Cotton Knitwear and Garments
IV. Diamond Cutting and Polishing
(A) P-IV, Q-I, R-III, S-II
(B) P-I, Q-IV, R-II, S-III
(C) P-IV, Q-II, R-I, S-III
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

100. Which of the following pairs regarding India's Current Account dynamics is incorrectly matched?
(A) Merchandise Trade - Structurally in deficit
(B) Services Trade - Structurally in surplus
(C) Primary Income (Investment Income) - Generally in deficit
(D) Secondary Income (Remittances) - Structurally in deficit
(E) Answer not known

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(E) Answer not known

64. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.

Assertion (A): A sharp depreciation of the domestic currency increases the burden of servicing external debt denominated in foreign currencies.

Reason (R): More units of domestic currency are required to purchase the same amount of foreign currency to pay off the interest and principal of the debt.

(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

65. Match the major Indian export categories in List I with their primary characteristics or global standing in List II:

List I: (Export Category)
P. Petroleum Products
Q. IT and Software Services
R. Generic Pharmaceuticals
S. Gems and Jewellery

List II: (Characteristic/Standing)
I. Heavily dependent on the import of raw, unpolished stones
II. Ranks highly in value addition by refining imported crude oil
III. Dominates the surplus in India's current account
IV. India acts as the leading global supplier by volume

(A) P-II, Q-III, R-IV, S-I
(B) P-I, Q-IV, R-II, S-III
(C) P-II, Q-I, R-IV, S-III
(D) P-III, Q-II, R-I, S-IV
(E) Answer not known

66. Which of the following represents the correct sequence in the evolution of GATT to WTO rounds?

(A) Kennedy Round → Tokyo Round → Uruguay Round → Doha Round
(B) Tokyo Round → Kennedy Round → Doha Round → Uruguay Round
(C) Uruguay Round → Tokyo Round → Kennedy Round → Doha Round
(D) Doha Round → Uruguay Round → Tokyo Round → Kennedy Round
(E) Answer not known

67. Arrange the following components of India's Current Account in a standard analytical structure from goods to transfers:

I. Trade in Goods (Merchandise)
II. Secondary Income (Remittances/Grants)
III. Trade in Services
IV. Primary Income (Investment Income)

(A) I, III, IV, II
(B) I, II, III, IV
(C) III, I, II, IV
(D) I, IV, III, II
(E) Answer not known

68. Which of the following pairs concerning the World Trade Organisation (WTO) is correctly matched?

(A) National Treatment - Granting special privileges only to domestic producers
(B) TRIPS - Agreement dealing with agriculture subsidies and public stockholding
(C) Peace Clause - A military agreement between WTO members
(D) Appellate Body - The final dispute settlement tribunal under the WTO
(E) Answer not known

69. When the value of India's imports exceeds the value of its exports, and the net income and transfers from abroad are insufficient to bridge this gap, the resulting macroeconomic condition is termed as:

(A) Capital Account Deficit
(B) Current Account Deficit
(C) Fiscal Deficit
(D) Primary Deficit
(E) Answer not known

70. In the context of India's foreign trade, what was the primary rationale behind shifting from the MEIS scheme to the RoDTEP scheme?

(A) MEIS was designed specifically and exclusively for the promotion of various software export units.
(B) RoDTEP was a mandatory requirement

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(A) The total monetary value of imported goods that are currently protected by maritime insurance.
(B) The total amount of tariff revenue collected from the entry of foreign goods in a fiscal year.
(C) The specific percentage of foreign-made products within a standard domestic consumer basket.
(D) The number of months of imports a country can fund using its current foreign exchange reserves.
(E) Answer not known

46. Consider the following statements regarding the export of Gems and Jewellery from India:
I. It is a major component of India's merchandise exports.
II. India relies heavily on the import of rough diamonds, which are then cut, polished, and exported.
III. The sector is purely domestic and does not contribute to the foreign exchange earnings.
Which of the above statement(s) is/are correct?
(A) I and II
(B) I and III
(C) II only
(D) III only
(E) Answer not known

47. Consider the following statements about India's pharmaceutical exports:
I. India is known as the 'pharmacy of the world' due to its massive supply of generic medicines globally.
II. Pharmaceutical exports have a negligible share in India's total merchandise exports.
III. Indian pharma exports heavily rely on imported Active Pharmaceutical Ingredients (APIs).
IV. The Foreign Trade Policy 2023-28 completely bans the export of all pharmaceutical products.
Which of the above statement(s) is/are incorrect?
(A) I, II and III
(B) II and IV
(C) III and IV
(D) I and IV
(E) Answer not known

48. Consider the following statements regarding Foreign Exchange Reserves in India:
I. They are managed exclusively by the Ministry of Finance.
II. Foreign Currency Assets (FCA) form the largest component of the reserves.
III. Gold and Special Drawing Rights (SDRs) are included in the reserves.
IV. Reserve Tranche Position (RTP) in the IMF is not a part of the reserves.
V. An increase in inward Foreign Portfolio Investment typically boosts the reserves in the short term.
Which of the above statement(s) is/are correct?
(A) I, II, III and V
(B) II, III and V
(C) II, III, IV and V
(D) I, III and IV
(E) Answer not known

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49. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): The persistent depreciation of the Indian Rupee against the US Dollar unambiguously benefits all sectors of the Indian economy.
Reason (R): Currency depreciation automatically reduces the fiscal deficit and lowers domestic inflation by making imported raw materials cheaper.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

50. Match the terms related to trade policy in List I with their descriptions in List II:
List I: (Term)
P. Tariff Binding
Q. Anti-dumping duty
R. Quota
S. Subsidy
List II: (Description)
I. A quantitative limit on the import of specific goods
II. Financial assistance given by the

explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

77. Match the global trading arrangements in List I with their relevant characteristics or scope in List II:
List I: (Trading Arrangement)
P. General Agreement on Tariffs and Trade (GATT)
Q. World Trade Organisation (WTO)
R. Regional Comprehensive Economic Partnership (RCEP)
S. Free Trade Agreement (FTA)
List II: (Characteristic/Scope)
I. A bilateral or plurilateral treaty to reduce trade barriers between specific member states
II. A provisional treaty that mainly covered trade in goods before 1995
III. An international organization covering goods, services, and intellectual property
IV. A mega-regional pact initiated by ASEAN from which India withdrew
(A) P-II, Q-III, R-IV, S-I
(B) P-III, Q-II, R-I, S-IV
(C) P-II, Q-IV, R-III, S-I
(D) P-I, Q-III, R-IV, S-II
(E) Answer not known

78. Which of the following pairs regarding India's trade profile is incorrectly matched?
(A) USA - India's largest export destination in recent years
(B) China - India's largest source of imports in recent years
(C) UAE - A country with which India has completely banned bilateral trade
(D) Saudi Arabia - A major source of crude oil imports for India
(E) Answer not known

79. The term 'Remittances' in India's Balance of Payments predominantly reflects:
(A) The profits repatriated by foreign companies operating in India
(B) The money sent back home by Indian migrant workers employed abroad
(C) The sovereign loans provided by the World Bank to the Indian government
(D) The export earnings of software companies
(E) Answer not known

80. The Export Credit Guarantee Corporation (ECGC) functions under the administrative control of which Union Ministry?
(A) Ministry of Finance
(B) Ministry of External Affairs
(C) Ministry of Micro, Small and Medium Enterprises
(D) Ministry of Commerce and Industry
(E) Answer not known

81. Which of the following statements regarding the 'One District One Product' (ODOP) scheme's integration with export hubs is correct?
(A) It aims to identify and promote products with export potential from every district in the nation.
(B) It exclusively allows foreign multinational corporations to export goods from specific districts.
(C) It prevents districts from exporting more than one specific product to the international market.
(D) It is an initiative administered directly by the World Trade Organisation's executive branch.
(E) Answer not known

82. Which of the following is an incorrect statement regarding Foreign Portfolio Investment (FPI) in India?
(A) FPI investors typically seek short-term financial gains rather than long-term management control.
(B) FPI flows into India are strictly regulated by the Securities and Exchange Board of India (SEBI) and RBI.
(C) Massive FPI outflows can cause the Rupee to appreciate against the Dollar.
(D) FPI includes investments in both Indian equities and debt instruments.
(E) Answer not known

83. If India's terms of trade deteriorate consistently over a decade, it implies that:
(A) India must export a larger volume of goods to pay for the same volume of imported items.
(B) The total volume of imports has permanently

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fallen below the volume of total exports.
(C) India's export prices are increasing at a much faster rate than its average import prices.
(D) The physical costs of transporting goods have seen a significant decrease on a global scale.
(E) Answer not known

84. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): Despite robust export growth, India's Special Economic Zones (SEZs) have faced a relative decline in attractiveness in recent years.
Reason (R): The introduction of the Minimum Alternate Tax (MAT) and the sunset clause on income tax holidays diminished the tax advantages for SEZ units.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

85. Match the elements of India's Forex Reserves in List I with their defining features in List II:
List I: (Forex Component)
P. Foreign Currency Assets (FCA)
Q. Gold
R. Special Drawing Rights (SDR)
S. Reserve Tranche Position (RTP)
List II: (Defining Feature)
I. An international reserve asset created by the IMF
II. The largest component, held as multi-currency portfolio like US Treasury bonds
III. The difference between India's quota at the IMF and the IMF's holdings of Rupees
IV. Held physically as a hedge against inflation and currency risks
(A) P-II, Q-IV, R-I, S-III
(B) P-I, Q-III, R-II, S-IV
(C) P-II, Q-I, R-IV, S-III
(D) P-IV, Q-II, R-III, S-I
(E) Answer not known

86. Which of the following pairs regarding export incentives is correctly matched?
(A) MEIS - Remains the sole scheme for all merchandise exports following the regulatory shifts of 2021.
(B) ODOP - Serves as the primary WTO mechanism for settling disputes between major trading nations.
(C) SEZ - Offers duty-free import of raw materials for units dedicated to exporting their output.
(D) RoDTEP - Imposes significant additional excise duties on exporters to maintain fiscal stability.
(E) Answer not known

87. According to standard trade data classifications, India's top export destination for its IT and Software Services is:
(A) The Russian Federation
(B) The United Arab Emirates
(C) The People's Republic of China
(D) The United States of America
(E) Answer not known

88. What was the central agenda of the Doha Round of the WTO, which earned it the title of the 'Doha Development Agenda'?
(A) Prioritizing developing nations' needs, focusing on agricultural subsidies and market access.
(B) Establishing a new global cryptocurrency to replace traditional fiat currency in trade.
(C) Eliminating all forms of intellectual property rights protection for member countries.
(D) Disbanding the WTO dispute settlement body to allow more flexible trade negotiations.
(E) Answer not known

89. Which of the following statements about 'Export Obligation' under various Indian schemes (like EPCG or EOU) is correct?
(A) Mandates that all produced goods must be sold at a net loss to capture foreign markets.
(B) Requires exporting a specific value of goods within a timeframe to receive duty exemptions.
(C) Forces domestic consumers to pay much higher taxes to directly subsidize export units.

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(D) Prohibits the export of specific categories of goods beyond a strictly defined quota.
(E) Answer not known

90. Which of the following is an incorrect statement regarding the Bilateral Investment Treaty (BIT) framework?
(A) It aims to protect the investments made by investors of one country in the territory of another.
(B) BITs completely abolish customs duties between the two signatory nations.
(C) India's updated Model BIT (2015) was designed to reduce the country's vulnerability to international arbitration claims.
(D) The Investor-State Dispute Settlement (ISDS) mechanism is a common feature in many global BITs.
(E) Answer not known

91. If the Government of India decides to aggressively promote 'Import Substitution', the most logical policy action would be to:
(A) Provide protectionist tariffs to domestic industries producing items currently being imported.
(B) Reduce import tariffs on all foreign consumer goods to zero to encourage healthy competition.
(C) Abolish the Make in India initiative to focus entirely on the services sector of the economy.
(D) Offer specific tax incentives to foreign portfolio investors to encourage short-term capital.
(E) Answer not known

92. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): India structurally runs a massive deficit in its trade in IT and BPM services.
Reason (R): India possesses a large, young, English-speaking workforce and competitive labour costs that attract global service outsourcing.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

93. Match the exchange rate terminologies in List I with their correct mechanisms in List II:
List I: (Terminology)
P. Fixed Exchange Rate
Q. Floating Exchange Rate
R. Managed Float
S. Currency Depreciation
List II: (Mechanism)
I. Market forces determine the value without central bank intervention
II. The central bank intervenes in market forces to smoothen volatility
III. The value of currency officially pegged to another currency or gold
IV. A market-driven decline in the value of the domestic currency
(A) P-III, Q-I, R-II, S-IV
(B) P-I, Q-II, R-III, S-IV
(C) P-III, Q-II, R-I, S-IV
(D) P-IV, Q-I, R-III, S-II
(E) Answer not known

94. Which of the following pairs concerning the history of India's foreign trade is incorrectly matched?
(A) Colonial Trade - Dominated by export of raw materials and import of British manufactures
(B) 1991 Reforms - Shifted focus towards export promotion and outward orientation
(C) 1950s to 1980s - Dominated by aggressive Free Trade Agreements
(D) Post-2000s - Remarkable surge in IT and software service exports
(E) Answer not known

95. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): Under the WTO rules, agriculture subsidies are highly contested, leading to the demand for a permanent 'Peace Clause' by developing nations.
Reason (R): Developing nations like India require public stockholding programs to ensure

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imposed by the World Bank as a condition for structural loans.
(C) MEIS provided export incentives that were found to be inconsistent with global WTO trade norms.
(D) MEIS resulted in a significant loss of tax revenue for state government bodies throughout the country.
(E) Answer not known

71. Which of the following statements regarding the 1991 macroeconomic crisis in India is correct?
(A) The crisis was primarily triggered by a massive and unsustainable surplus in the Current Account.
(B) The situation led to India completely closing its sovereign borders to all forms of foreign trade.
(C) The crisis resulted in India immediately transforming into a net exporter of crude oil products.
(D) Foreign exchange shortages forced the adoption of liberalisation and structural adjustment policies.
(E) Answer not known

72. Which of the following is an incorrect statement regarding India's agricultural exports?
(A) Agricultural exports represent the largest share of India's merchandise export value by category.
(B) India maintains a position as a leading global exporter of both basmati and non-basmati rice.
(C) The Peace Clause offers protection for domestic agricultural subsidy regimes from WTO panels.
(D) Marine products represent a very significant segment of India's total agricultural export basket.
(E) Answer not known

73. If the RBI sells massive amounts of US Dollars from its reserves in the forex market, the direct impact on the domestic economy, assuming no sterilization, will be:
(A) An increase in domestic money supply
(B) A decrease in domestic money supply
(C) A sudden rise in the Current Account Deficit
(D) An immediate increase in the repo rate
(E) Answer not known

74. Which of the following features is NOT considered an advantage of Foreign Direct Investment (FDI) for a host developing country like India?
(A) Facilitating the transfer of advanced technology and positive industrial spillover effects.
(B) Increased exposure to capital flight risks resulting from volatile short-term market speculation.
(C) Supporting the creation of a wide range of both direct and indirect employment opportunities.
(D) Enabling the domestic economy to integrate more effectively into complex global value chains.
(E) Answer not known

75. What is the fundamental difference between the Current Account and the Capital Account in the Balance of Payments?
(A) Current Account tracks income and spending, while Capital Account tracks shifts in assets and liabilities.
(B) Current Account only records merchandise trade, while the Capital Account records international services.
(C) Current Account is managed by the central bank, while the Capital Account is managed by trade banks.
(D) Current Account deals with public sector deals, while the Capital Account deals with private deals.
(E) Answer not known

76. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below.
Assertion (A): India has adopted a cautious approach towards full Capital Account Convertibility.
Reason (R): Unrestricted capital mobility can expose the economy to severe macroeconomic shocks and volatile hot money outflows during global financial crises.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct

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ANSWERS

1. (A) I and II
Adam Smith introduced the absolute advantage theory, emphasizing that countries should specialize in producing goods using fewer resources. David Ricardo expanded this by proposing comparative advantage, showing trade gains even if one nation is less efficient in all areas. Conversely, the Heckscher-Ohlin theory focuses on factor endowments rather than technology.

2. (C) III and IV
India's Foreign Trade Policy 2023 focuses on reaching the target of two trillion dollars in exports by 2030. The policy includes services and emphasizes decentralization through district export hubs. However, the Merchandise Exports from India Scheme remains replaced by the Remission of Duties and Taxes on Export Products scheme to comply with global norms.

3. (C) I, II and V
Foreign Direct Investment and Foreign Portfolio Investment represent capital flows recorded in the capital account because they affect a country's assets and liabilities. Inward remittances from expatriates are classified as secondary income within the current account. However, external commercial borrowings belong in the capital account, while software services are part of the current account.

4. (A) Both A and R are true and R is the correct explanation of A.
India consistently faces a merchandise trade deficit because its domestic demand for critical commodities significantly exceeds its export earnings. Crude petroleum and gold are major high-value imports that dominate the trade basket. These essential imports lead to a persistent gap between the value of total goods imported and those exported to international markets annually.

5. (A) P-III, Q-II, R-IV, S-I
International trade theories identify specific proponents for various economic concepts. Adam Smith is credited with absolute advantage, while David Ricardo developed the comparative advantage theory. The Heckscher-Ohlin model explains trade through factor endowments like land and labor. Additionally, the S.S. Tarapore Committee provided the foundational framework and roadmap for achieving capital account convertibility in India.

6. (B) Import Substitution → Liberalisation and Export Orientation → FTAs proliferation → Atmanirbhar Bharat (Self-reliance with integration)
India's trade policy evolved through distinct phases starting with post-independence import substitution aimed at self-reliance. The 1991 reforms shifted the focus toward market liberalization and export orientation. Subsequent years saw a proliferation of free trade agreements with various nations. Recently, the policy orientation has moved towards the Atmanirbhar Bharat initiative, emphasizing self-sufficiency alongside global integration.

7. (A) I, II, IV, III
Current export data shows the United States of America as the primary destination for Indian goods, followed closely by the United Arab Emirates. Recent trade shifts have seen the Netherlands rise significantly as a key European hub for Indian exports, often surpassing China. Consequently, China now occupies a lower position in the hierarchy of India's top export markets.

8. (A) ECGC - Provides credit insurance cover to exporters against various payment risks
The Export Credit Guarantee Corporation plays a vital role by providing insurance to exporters against non-payment risks from foreign buyers. This financial protection encourages businesses to explore new international markets confidently. While other schemes like the remission of duties also support competitiveness, the specific function of the corporation is centered on mitigating credit-related risks in global trade.

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financial and economic interactions between a country's residents and international entities. It encompasses the trade of goods and services, income flows, and changes in assets and liabilities. This record is essential for understanding a nation's external economic health and its overall relationship with the global financial system.

61. (A) I and II
External commercial borrowings are loans obtained by Indian companies from foreign sources under specific regulatory frameworks. The Reserve Bank of India manages these flows to control the level of external debt and prevent excessive currency risk. Borrowers often face significant risks if their loans are unhedged, as fluctuations in the exchange rate can increase the total cost of repayment in domestic currency.

62. (B) III and IV
Foreign Direct Investment involves long-term strategic interest and management control, often bringing technology and expertise to the host country. In contrast, Foreign Portfolio Investment is typically short-term and more volatile, focusing on financial instruments like stocks and bonds rather than manufacturing operations. Incorrectly identifying FDI as government bond purchases or FPI as long-term strategic interest misrepresents these two distinct capital flows.

63. (A) II, III and IV
India's trade history began with a focus on building domestic capacity through import substitution. Following the 1991 crisis, the country transitioned toward export promotion and greater global engagement. Today, the United States and the United Arab Emirates are among India's top trading partners. However, India currently faces a significant and persistent trade deficit with China rather than a surplus.

64. (A) Both A and R are true and R is the correct explanation of A.
When the domestic currency depreciates, its value falls relative to foreign currencies, making it more expensive to buy the dollars needed for debt repayment. Consequently, the cost of servicing external debt increases, as more domestic currency is required to pay the interest and principal. This creates a higher fiscal burden for both the government and corporations with foreign loans.

65. (A) P-II, Q-III, R-IV, S-I
India's export categories have distinct global profiles. Petroleum products rank high through the refining of imported crude oil. Software services provide a massive surplus that supports the current account. India is a leading global supplier of generic pharmaceuticals by volume, while the gems and jewellery sector is heavily dependent on importing rough stones for cutting and polishing before export.

66. (A) Kennedy Round → Tokyo Round → Uruguay Round → Doha Round
The evolution of the global trading system occurred through several rounds of multilateral negotiations. The Kennedy and Tokyo rounds primarily focused on reducing tariffs on industrial goods. The Uruguay Round was pivotal, leading to the creation of the World Trade Organisation and expanding trade rules to services and intellectual property. The subsequent Doha Round focused specifically on development-related trade issues.

67. (A) I, III, IV, II
The current account is analytically structured into several key components. It begins with the trade in goods, representing the merchandise balance. This is followed by the trade in services, which includes IT and tourism. Primary income tracks the flow of investment returns like dividends. Finally, secondary income accounts for current transfers, most notably the remittances sent by citizens working abroad.

68. (D) Appellate Body - The final dispute settlement tribunal under the WTO
The Appellate Body is a standing group of experts that hears appeals from reports issued by panels in disputes brought by WTO members. It serves as the final authority in the legal process of trade dispute resolution. While other principles like national treatment ensure fairness, the Appellate Body is specifically designated for high-level legal review within the international trading framework.

69. (B) Current Account Deficit
A current account deficit occurs when the total value of a nation's imports of goods, services, and

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18. (C) I, II and V
The National Treatment and Most Favoured Nation principles are foundational to international trade, ensuring equality between domestic and imported goods and among trading partners. Tariff binding involves legal commitments to maintain duties below specific levels. While India actively participates in dispute settlements, the Doha Round was not intended to eliminate regional agreements, and India has frequently used these mechanisms.

19. (A) Both A and R are true and R is the correct explanation of A.
Foreign Portfolio Investment is frequently described as hot money because of its highly liquid and volatile nature. These capital flows are driven by short-term interests and can be withdrawn quickly in response to changing global economic conditions or interest rate shifts. Such rapid movements often lead to significant fluctuations in the exchange rate, impacting the stability of emerging markets.

20. (A) P-III, Q-I, R-II, S-IV
India's foreign trade infrastructure involves specialized institutions with distinct roles. The Export-Import Bank focuses on financing and facilitating international trade activities. The Export Credit Guarantee Corporation provides essential insurance against payment risks for exporters. Bilateral Investment Treaties protect investments between sovereign states, while the Regional Comprehensive Economic Partnership represents a significant multi-nation trade agreement within the Asia-Pacific region.

21. (B) Consultations → Panel Establishment → Appellate Body Review → Implementation/ Retaliation
The World Trade Organisation follows a structured legal process to resolve commercial disputes between member nations. It begins with mandatory consultations to reach an amicable settlement. If unsuccessful, a formal panel is established to examine the case. Subsequent stages include a review by the appellate body and, finally, the implementation of findings or the authorization of retaliatory trade measures.

22. (A) II, I, III, IV
Crude petroleum remains the single largest item in India's import basket due to high domestic energy demand. Electronic goods follow as the second most valuable import category, reflecting growing consumption and industrial needs. Gold consistently ranks as a major high-value import item, primarily for investment and jewelry. Machinery and industrial equipment also constitute a significant portion of the total imports.

23. (D) RCEP - India is a founding and current active member
India participated in the initial negotiations for the Regional Comprehensive Economic Partnership but eventually decided to withdraw from the agreement in 2019. This decision was based on concerns regarding domestic industry protection and the potential for a massive trade deficit with member countries. Consequently, India is currently not an active member of this large-scale regional free trade pact.

24. (A) The world's largest receiver of remittances
Data from the World Bank indicates that India consistently holds the top position globally as the largest recipient of personal remittances. These financial inflows, sent by the vast Indian diaspora residing abroad, provide a crucial source of foreign exchange and support millions of households. They play a vital role in balancing the country's current account and strengthening macroeconomic stability.

25. (B) Import substitution and early-stage tariff protection
The infant industry argument posits that emerging domestic sectors require temporary protection from international competition to develop and become efficient. This economic rationale supports the use of import tariffs and quotas during the early stages of industrialization. By restricting foreign imports, governments aim to allow local firms to gain experience, scale, and technological capability before facing full global market forces.

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9. (B) Tiruppur
Tiruppur is widely recognized as the textile capital and is often called the Dollar City due to its immense foreign exchange earnings. The district is a global leader in the production and export of cotton knitwear and ready-made garments. Its robust industrial cluster provides significant employment and contributes substantially to the overall export performance of the Indian economy.

10. (B) General Agreement on Tariffs and Trade (GATT)
The World Trade Organisation was established on January first, 1995, following the conclusion of the Uruguay Round of negotiations. It replaced the General Agreement on Tariffs and Trade, which had served as a provisional framework for trade in goods since 1948. Unlike its predecessor, the new organization provides a permanent institutional structure and covers services and intellectual property.

11. (A) FDI involves long-term capital investment and management control in a resident enterprise.
Foreign Direct Investment represents a significant category of cross-border investment where an investor from one country establishes a lasting interest in an enterprise in another. This type of investment usually involves not only capital but also technology transfer and management involvement. It is distinguished from portfolio investment, which focuses primarily on short-term financial returns without seeking control.

12. (C) India's services trade surplus is always sufficient to ensure a current account surplus.
India frequently experiences a current account deficit despite maintaining a consistent surplus in services trade. The substantial earnings from IT and business services often fail to fully offset the massive deficit generated by merchandise imports, particularly crude oil and gold. Therefore, a services surplus does not automatically guarantee that the overall current account will remain in a positive balance.

13. (D) Sell US Dollars from its foreign exchange reserves
To stabilize the domestic currency during a sharp depreciation, the central bank intervenes by selling foreign currency from its reserves. This action increases the supply of dollars in the market relative to the rupee, thereby supporting the exchange rate. Such interventions are common under a managed float system to prevent excessive volatility that could harm the overall economy.

14. (C) Arbitrarily increasing bound tariff rates on a single member country without WTO approval
The Most Favoured Nation principle ensures that trade benefits granted to one member must be extended to all others. Recognized exceptions include regional trade agreements like free trade areas and preferential treatment for developing nations. However, unilaterally raising tariffs above agreed levels for a specific country violates these rules and is not considered a legitimate exception under the framework.

15. (B) The ratio of the index of a country's export prices to the index of its import prices
The terms of trade represent a crucial economic indicator measuring the relative prices of a country's exports compared to its imports. It is calculated by dividing the index of export prices by the index of import prices. An improvement in this ratio signifies that a nation can purchase more imports for every unit of goods it sells abroad.

16. (A) I and II
The RoDTEP scheme was introduced to ensure that Indian exports remain competitive by refunding various taxes and duties not covered under other mechanisms. It replaced the earlier merchandise export scheme, which faced challenges regarding compliance with international trade norms. The scheme specifically targets embedded costs at federal, state, and local levels to prevent the exportation of domestic taxes.

17. (B) III and IV
Special Economic Zones are designated areas treated as foreign territory for trade and duty purposes, operating under single-window clearances. However, there is no specific mandate requiring units to export ninety percent of their output within the first year. Furthermore, while these zones offer tax benefits, units are not indefinitely exempt from the minimum alternate tax under current regulations.

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in priorities between developed and developing nations. Major points of contention include agricultural subsidies and market access for industrial products. Developing countries seek greater flexibility for food security, while developed nations push for lower trade barriers. These fundamental disagreements have prevented the successful conclusion of the negotiations.

35. (A) P-III, Q-I, R-II, S-IV
Various districts in Tamil Nadu specialize in specific export products based on their local industrial strengths. Sivakasi is globally famous for safety matches and printing services. Thoothukudi is a major hub for salt and marine product exports due to its coastal location. Chennai excels in the automobile and auto-components sector, while Salem is prominent for its sago and steel industries.

36. (B) Free Trade Area → Customs Union → Common Market → Economic Union
Economic integration typically progresses through levels of increasing depth and cooperation. It starts with a free trade area where members eliminate internal tariffs. This evolves into a customs union with a common external tariff. Further integration leads to a common market with free factor movement. The final stage is an economic union, which involves unified fiscal and monetary policies.

37. (A) I, IV, II, III
Recent import data highlights China as India's leading source of foreign goods, particularly for electronics and industrial inputs. Russia has emerged as a major supplier due to increased imports of crude oil at competitive prices. The United Arab Emirates and the United States of America also remain significant import partners, providing various commodities ranging from energy resources to high-technology machinery.

38. (C) Tourism receipts - Current Account (Services)
Tourism receipts are classified under the services section of the current account because they represent income from international travelers. Merchandise trade belongs to the visible account, while remittances are categorized as secondary income in the current account. External commercial borrowings are part of the capital account, reflecting changes in external debt liabilities rather than foreign exchange reserves themselves.

39. (D) IT and Business Process Management (BPM) services
NASSCOM serves as the premier trade association and apex body for the Indian technology industry. It provides critical data, advocacy, and support for the software services and business process management sectors. These industries are major contributors to India's export earnings and have established the country as a global hub for outsourcing and digital transformation services over the decades.

40. (A) Units operating anywhere in India with tax benefits similar to SEZs for 100% export activity.
Export Oriented Units were established to provide a flexible framework for companies dedicated to exporting their entire production. Unlike special economic zones, which are location-specific, these units can be set up anywhere in the country while enjoying similar tax and duty benefits. The scheme aims to boost foreign exchange earnings by providing incentives for manufacturing and services aimed at global markets.

41. (B) A surplus in services trade helps partially offset India's merchandise trade deficit.
India consistently achieves a significant surplus in its services trade, primarily driven by the export of IT and software services. This surplus plays a crucial role in the overall balance of payments by helping to mitigate the large deficit occurring in merchandise trade. Consequently, the services sector is vital for reducing the country's total current account deficit and strengthening reserves.

42. (B) It acts as the primary regulator of the foreign exchange market, formulating exchange rate policies instead of the RBI.
The Export-Import Bank of India is a specialized financial institution that provides loans and lines of credit to facilitate international trade. It coordinates with other banks to support exporters and importers. However, it does not regulate the foreign exchange market or formulate exchange rate policies, as those responsibilities belong exclusively to the Reserve Bank of India under national law.

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Regional agreements like the partnership from which India withdrew represent large-scale pacts, while bilateral treaties focus on reducing barriers between specific nations.

78. (C) UAE - A country with which India has completely banned bilateral trade
India maintains strong and growing trade relations with the United Arab Emirates, which is one of its top trading partners. The two nations recently signed a comprehensive economic partnership agreement to further enhance bilateral trade and investment. Claims of a trade ban are incorrect, as the relationship is characterized by extensive cooperation in energy, technology, and various other economic sectors.

79. (B) The money sent back home by Indian migrant workers employed abroad
Remittances represent the funds transferred by individuals working in foreign countries to their families or residents in their home nation. For India, these inflows are a major source of foreign exchange and contribute significantly to the current account. They are distinct from corporate profits or sovereign loans and play a vital role in supporting domestic consumption and overall economic stability.

80. (D) Ministry of Commerce and Industry
The Export Credit Guarantee Corporation is a government-owned entity that operates under the administrative control of the Ministry of Commerce and Industry. Its primary mission is to promote Indian exports by providing credit insurance services to exporters. By protecting businesses against the risk of non-payment by foreign buyers, it supports the growth and competitiveness of the nation's international trade.

81. (A) It aims to identify and promote products with export potential from every district in the nation.
The initiative to develop districts as export hubs focuses on identifying unique local products and helping them reach international markets. It seeks to decentralize export promotion by involving district-level administration and local industries. By building infrastructure and providing market linkages, the scheme aims to transform each district into a contributor to the nation's overall export growth and economic development.

82. (C) Massive FPI outflows can cause the Rupee to appreciate against the Dollar.
Foreign Portfolio Investment involves the purchase of financial assets like stocks and bonds by international investors. These flows are often sensitive to global market conditions. When large amounts of capital leave the country, the demand for foreign currency increases while the demand for the domestic currency falls. This typically leads to a depreciation of the rupee rather than an appreciation.

83. (A) India must export a larger volume of goods to pay for the same volume of imported items.
A deterioration in the terms of trade occurs when the prices of a country's exports fall relative to the prices of its imports. This means that for every unit of goods exported, the nation can afford fewer units of imported goods. Consequently, the country must increase its total export volume just to maintain the same level of purchasing power internationally.

84. (C) A is true but R is false.
Special Economic Zones remain important for India's exports, but their relative attractiveness has shifted over time. Changes in tax laws, including the introduction of the minimum alternate tax and the end of certain tax holidays, have altered the incentive structure. While these factors impacted the zones, the overall policy environment continues to evolve to maintain export competitiveness in various ways.

85. (A) P-II, Q-IV, R-I, S-III
India's foreign exchange reserves consist of several distinct components with different roles. Foreign currency assets represent the bulk of the reserves held in international bonds. Gold serves as a physical hedge against financial risks. Special Drawing Rights are international reserve assets created by the IMF. The reserve tranche position reflects the portion of India's quota that can be accessed without conditions.

86. (C) SEZ - Offers duty-free import of raw materials for units dedicated to exporting their output.
Special Economic Zones provide a designated environment where units can import raw

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52. (A) III, IV, II, I
India's trade history followed a sequence starting with the move toward a managed float exchange rate in the early nineties. This was followed by the enactment of the Foreign Exchange Management Act to modernize regulations. Quantitative restrictions were subsequently abolished for most imports. Finally, the Special Economic Zones Act was established in 2005 to provide a formal framework for export-led growth.

53. (B) Software Services - A major contributor to capital account surplus
Software services are a dominant force in India's economy, but they are recorded as part of the current account rather than the capital account. These services generate substantial export revenue, which helps offset the trade deficit in goods. In contrast, the capital account tracks investments and loans. Therefore, while software contributes to the overall balance, its classification remains within the current account.

54. (C) Labour-intensive goods
The Heckscher-Ohlin theory suggests that a country should specialize in and export goods that intensively use its most abundant factor of production. Given India's large population and workforce, it is considered a labor-abundant nation. Therefore, according to this classical trade model, India's export structure should logically focus on labor-intensive products such as textiles, garments, and other manufactured items.

55. (D) To lay down a roadmap for Capital Account Convertibility
The S.S. Tarapore Committees were specifically established by the Reserve Bank of India to examine the feasibility of achieving fuller capital account convertibility. These committees provided a structured roadmap and identified several macroeconomic preconditions, such as fiscal consolidation and low inflation, necessary for a successful transition. Their recommendations remain a central part of India's cautious and gradual approach to financial liberalization.

56. (A) It allows free conversion of the Rupee for imports, exports, and remittances.
Current account convertibility signifies that the domestic currency can be freely exchanged for foreign currency for transactions related to trade and transfers. In India, this was largely achieved in the mid-nineties. It enables citizens and businesses to pay for imported goods, services, and remittances without needing specific administrative approval for each transaction, thereby facilitating international economic integration and trade.

57. (B) It allows nations to apply high tariffs on developing countries and low tariffs for developed ones.
The Most Favoured Nation principle is a pillar of global trade, requiring that any benefit granted to one member must be extended to all. It prohibits discriminatory tariffs between different trading partners. While regional agreements and preferences for developing nations are allowed exceptions, the principle fundamentally aims to ensure equal treatment and prevent biased trade policies that favor specific countries over others.

58. (B) Foreign Direct Investment under Capital Account
A greenfield investment, where a multinational corporation builds new facilities in another country, is classified as foreign direct investment. Such transactions are recorded in the capital account because they involve a change in the ownership of assets and typically reflect a long-term strategic commitment. This contrasts with portfolio investment, which involves the purchase of financial instruments without direct managerial control.

59. (A) Reinstating quantitative import quotas on all electronic goods to protect local MSMEs
India's Foreign Trade Policy 2023-2028 emphasizes moving away from incentives toward a regime of tax remission. It focuses on emerging areas like e-commerce and sets ambitious export targets for the decade. However, the policy does not include a return to quantitative import quotas for electronics. Instead, it aims to foster global competitiveness and decentralize export promotion through various institutional initiatives.

60. (C) Systematic record of all economic transactions between residents of a country and the rest of the world.
The balance of payments is a comprehensive accounting framework that summarizes all

26. (B) It protects developing nations' food security stockholding programmes from legal trade challenges.
The Peace Clause at the World Trade Organisation provides a temporary legal shield for developing countries regarding their public stockholding programs for food security. It prevents other members from challenging these programs even if the domestic subsidies exceed the agreed-upon limits. This arrangement is particularly important for nations like India to ensure food availability and support for low-income farmers.

27. (A) India left RCEP because the agreement specifically banned the export of all IT services.
India's withdrawal from the Regional Comprehensive Economic Partnership was primarily driven by fears that domestic industries would be overwhelmed by low-cost manufactured imports. Concerns also included the potential impact on the dairy sector and the lack of sufficient safeguards against sudden import surges. The agreement did not ban IT services; rather, the decision focused on protecting agricultural and manufacturing interests.

28. (C) Sterilization (through Open Market Operations)
When the central bank purchases foreign currency, it injects domestic liquidity into the banking system, which can lead to inflationary pressures. To counteract this, the bank performs sterilization by selling government securities through open market operations. This process absorbs the excess money supply, helping to maintain price stability while managing the exchange rate fluctuations caused by significant capital inflows.

29. (D) Primary income (Investment income like dividends and interest)
The capital account records all transactions that result in a change of ownership of a country's assets and liabilities, such as foreign direct investment and loans. In contrast, primary income, which includes dividends and interest earned on investments, is classified as a component of the current account. This distinction is fundamental for accurately analyzing a nation's balance of payments.

30. (C) The market determines the exchange rate, but the central bank intervenes to prevent excessive volatility.
In a managed float exchange rate system, the value of the currency is primarily determined by the supply and demand forces in the foreign exchange market. However, the central bank periodically intervenes by buying or selling foreign reserves to stabilize the currency and prevent extreme fluctuations. This approach allows for market flexibility while ensuring macroeconomic stability and predictability.

31. (A) I and III
The S.S. Tarapore Committee outlined specific economic conditions required for India to transition toward full capital account convertibility. Currently, the country follows a policy of partial convertibility, where specific limits and regulations apply to capital outflows by residents and corporations. This cautious approach helps protect the economy from volatile international capital movements and maintains overall financial market stability.

32. (C) III and IV
The Districts as Export Hubs initiative aims to identify products with export potential, aligning with the one district one product concept. In Tamil Nadu, Kanchipuram is specifically recognized for its silk products under this framework. The scheme encourages state participation and covers a wide range of goods beyond agriculture, contradicting claims that it prohibits committees or focuses only on farming.

33. (A) I, II, IV and V
Bilateral Investment Treaties are sovereign agreements designed to protect and promote investments between two countries. India's updated model emphasizes using domestic legal remedies before seeking international arbitration. These treaties typically include protections against expropriation and ensure fair treatment. India has recently renegotiated or terminated older agreements to align with this new framework, which is not part of the WTO.

34. (A) Both A and R are true and R is the correct explanation of A.
The Doha Development Round has faced a persistent stalemate due to significant differences

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transfers exceeds the total value of its exports. It reflects a situation where a country is a net debtor to the rest of the world for that period. This deficit must be financed through capital inflows or by drawing down foreign exchange reserves.

70. (C) MEIS provided export incentives that were found to be inconsistent with global WTO trade norms.
The transition from the earlier merchandise incentive scheme to the remission of taxes framework was necessitated by international trade disputes. The former scheme was challenged at the World Trade Organisation for being an illegal export subsidy. The new scheme focuses on refunding embedded taxes to comply with global rules, ensuring that India's export promotion remains legitimate under the multilateral trade system.

71. (D) Foreign exchange shortages forced the adoption of liberalisation and structural adjustment policies.
In 1991, India faced a severe balance of payments crisis characterized by critically low foreign exchange reserves, barely enough to cover a few weeks of imports. This emergency forced the government to seek assistance from international financial institutions and implement sweeping economic reforms. These changes led to the liberalization of the economy, reduced trade barriers, and a shift toward market-oriented policies.

72. (A) Agricultural exports represent the largest share of India's merchandise export value by category.
While India is a major global player in agricultural trade, particularly in rice and marine products, these exports do not represent the largest share of total merchandise value. Categories like engineering goods and petroleum products typically hold higher positions. Agriculture remains vital for livelihoods and food security, and its subsidy programs are protected under specific international trade clauses for developing nations.

73. (B) A decrease in domestic money supply
When the central bank sells foreign currency in the market, it receives domestic currency in exchange. This transaction effectively removes liquidity from the banking system, leading to a decrease in the domestic money supply. Unless the bank offsets this by purchasing other assets through sterilization, the overall amount of money circulating in the economy will fall as a direct result.

74. (B) Increased exposure to capital flight risks resulting from volatile short-term market speculation.
Foreign Direct Investment is generally viewed as beneficial because it provides stable, long-term capital and encourages the transfer of technology and skills. Unlike portfolio investment, it is less prone to sudden reversals or speculative flight. By integrating domestic firms into global supply chains and creating jobs, it supports sustainable economic growth rather than introducing high levels of short-term financial volatility.

75. (A) Current Account tracks income and spending, while Capital Account tracks shifts in assets and liabilities.
The current account records the flow of goods, services, and income between a nation and the rest of the world. It reflects the net income earned or spent during a specific period. In contrast, the capital account tracks transactions that involve the purchase or sale of assets and liabilities. Together, they provide a complete picture of a country's international transactions.

76. (B) Both A and R are true but R is not the correct explanation of A.
India maintains a cautious approach to capital account convertibility to protect its economy from the risks of volatile capital flows. Unrestricted mobility could lead to significant instability during global financial crises. While this risk justifies the cautious stance, the specific roadmap followed is based on broader macroeconomic stability goals and committee recommendations rather than a simple reaction to potential shocks alone.

77. (A) P-II, Q-III, R-IV, S-I
Global trade is governed by various arrangements with different scopes. The General Agreement on Tariffs and Trade was a provisional treaty focused on goods. The World Trade Organisation is a formal international organization covering goods, services, and intellectual property.

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43. (A) Abrupt reversal of foreign capital inflows causing liquidity constraints and currency depreciation.
A sudden stop refers to a rapid and large-scale reduction in foreign capital inflows into an economy. This phenomenon often leads to severe liquidity shortages, a sharp depreciation of the domestic currency, and a contraction in economic activity. Such events are typically triggered by shifts in global investor sentiment and can cause significant financial instability in emerging market economies.

44. (C) Ad valorem import duties
Non-tariff barriers include various measures other than customs duties that restrict international trade, such as quotas, licensing requirements, and technical standards. Measures related to health and safety, like phytosanitary rules, also fall into this category. In contrast, ad valorem duties are traditional tariffs based on the value of goods and are not classified as non-tariff barriers in trade analysis.

45. (D) The number of months of imports a country can fund using its current foreign exchange reserves.
Import cover is a key macroeconomic indicator that measures the adequacy of a country's foreign exchange reserves. It calculates how many months of imports a nation can sustain using its available reserves if all other capital inflows were to cease. A higher import cover suggests greater external stability and a better ability to withstand potential shocks in global trade or finance.

46. (A) I and II
The gems and jewellery sector is a significant pillar of India's merchandise exports, contributing greatly to foreign exchange earnings. India's strength lies in processing rough diamonds, which are imported in large quantities, cut, and polished for the international market. This value-addition process is central to the industry's success and its prominent standing in the global trade of luxury goods.

47. (B) II and IV
India's pharmaceutical sector is a major global player, often referred to as the pharmacy of the world for its supply of generic medicines. Pharma exports constitute a very significant portion of the country's total merchandise trade. While the industry relies on imported active ingredients, there is no policy banning these exports; rather, the government actively promotes the growth of this sector.

48. (B) II, III and V
Foreign exchange reserves in India are managed by the Reserve Bank and consist of foreign currency assets, gold, and special drawing rights. The reserve tranche position at the IMF is also included as a component. An increase in portfolio investment typically boosts these reserves. While the Ministry of Finance oversees economic policy, the central bank has the exclusive operational mandate for reserves.

49. (D) A is false but R is true.
Persistent currency depreciation does not benefit all sectors, as it increases the cost of imported raw materials and essential goods like oil, often fueling domestic inflation. Furthermore, it raises the burden of servicing external debt. While depreciation can make exports more competitive, its overall impact is complex and can negatively affect businesses and consumers who rely on foreign products.

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50. (A) P-III, Q-IV, R-I, S-II
Trade policy terms have specific meanings within international agreements. Tariff binding refers to a legal commitment not to raise duties above a certain level. Anti-dumping duties are taxes imposed on imports sold below their fair market value. Quotas represent quantitative limits on specific goods, while subsidies are financial supports provided by governments to domestic producers to enhance their market competitiveness.

51. (B) Foreign Currency Assets → Gold → SDRs → Reserve Tranche Position
India's foreign exchange reserves are composed of several key assets, with foreign currency holdings, such as US Treasury bonds, being the largest part. Gold traditionally represents the second largest component, acting as a reserve asset. Special Drawing Rights and the Reserve Tranche Position at the International Monetary Fund make up the remaining, smaller portions of the total reserves held.

materials and capital goods without paying customs duties, provided the final products are exported. This framework is designed to reduce production costs and make Indian goods more competitive globally. Other schemes like tax remission also support exporters, but the duty-free import benefit is a hallmark of the SEZ model.

87. (D) The United States of America
The United States remains the primary market for India's information technology and business process management services. American corporations are the largest consumers of Indian software exports, driven by the demand for digital transformation and technical expertise. This strong bilateral trade relationship in services is a cornerstone of India's export earnings and has fostered deep economic ties between the two nations over several decades.

88. (A) Prioritizing developing nations' needs, focusing on agricultural subsidies and market access.
The Doha Round was launched with the specific goal of making the global trading system more equitable for developing countries. Its agenda focused on reducing trade-distorting agricultural subsidies in developed nations and improving market access for products from the developing world. These priorities were intended to ensure that international trade contributes effectively to the economic growth and development of poorer member nations.

89. (B) Requires exporting a specific value of goods within a timeframe to receive duty exemptions.
Export obligation is a condition attached to several trade promotion schemes in India. It requires companies that benefit from duty-free imports of machinery or raw materials to export a certain value of goods over a specified period. This ensures that the tax benefits provided by the government result in actual foreign exchange earnings and contribute to the country's overall export performance.

90. (B) BITs completely abolish customs duties between the two signatory nations.
Bilateral Investment Treaties are focused on the protection and promotion of investments between two countries rather than the elimination of trade tariffs. They provide legal frameworks for resolving disputes between investors and host states. While free trade agreements often aim to reduce or abolish customs duties, investment treaties concentrate on issues like fair treatment, protection against expropriation, and stable regulatory environments for investors.

91. (A) Provide protectionist tariffs to domestic industries producing items currently being imported.
Import substitution is a strategy aimed at replacing foreign imports with domestic production. To achieve this, a government typically imposes high tariffs and other trade barriers to protect local industries from international competition. This policy encourages the growth of domestic manufacturing and reduces reliance on foreign goods, aiming to build industrial capacity and self-sufficiency within the national economy over the long term.

92. (D) A is false but R is true.
India does not run a deficit in its IT and business services trade; instead, it consistently achieves a massive and growing surplus. This success is driven by a large, skilled, English-speaking workforce and competitive labor costs that make India a global leader in outsourcing. These factors attract international companies seeking efficient service delivery, resulting in substantial export earnings for the Indian economy annually.

93. (A) P-III, Q-I, R-II, S-IV
Exchange rate systems vary based on how a currency's value is determined. A fixed system pegs the currency to gold or another currency. In a floating system, market forces operate without intervention. A managed float involves the central bank smoothing out volatility. Currency depreciation refers specifically to a market-driven decline in value, reflecting a change in the relative strength of the domestic currency.

94. (C) 1950s to 1980s - Dominated by aggressive Free Trade Agreements
From the 1950s through the 1980s, India's trade policy was primarily characterized by inward-looking strategies and import substitution rather than free trade agreements. The focus was on protecting domestic industries through high tariffs and quantitative restrictions. It was only

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term sovereign government debt.
(E) Answer not known

21. Consider the following statements regarding Non-Performing Assets (NPAs):
I. Gross NPA indicates the total quantum of non-performing assets before deducting any provisions.
II. Net NPA is derived by adding the provisioning amount to the Gross NPA figure.
III. Provisioning involves setting aside a portion of bank profits to cover potential loan losses.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I only
(E) Answer not known

22. In which year was the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act enacted to help banks recover bad loans?
(A) 1991
(B) 1999
(C) 2002
(D) 2016
(E) Answer not known

23. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The SARFAESI Act empowers banks and financial institutions to recover secured assets without the intervention of the court.
Reason (R): The Act aims to expedite the resolution of non-performing assets for banks by allowing direct auction of secured residential and commercial properties.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

24. Match the capital market terms in List I with the descriptions in List II:
List I: (Capital Market Terms)
P. IPO
Q. FPO
R. Rights Issue
S. SENSEX
List II: (Descriptions)
I. Follow-on public offering
II. Index of the Bombay Stock Exchange
III. Initial public offering
IV. Issued to existing shareholders
(A) P-III, Q-I, R-IV, S-II
(B) P-I, Q-III, R-II, S-IV
(C) P-III, Q-IV, R-I, S-II
(D) P-IV, Q-I, R-III, S-II
(E) Answer not known

25. Consider the following statements regarding the Insolvency and Bankruptcy Code (IBC) 2016:
I. The resolution process under IBC is strictly time-bound.
II. It fundamentally shifted the control of the defaulting firm from debtors to creditors.
III. It abolished the National Company Law Tribunal (NCLT) to fast-track recoveries.
IV. Resolution Professionals are appointed to manage the corporate debtor during the resolution period.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) I, II and IV only
(C) II, III and IV only
(D) I and IV only
(E) Answer not known

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26. Which quasi-judicial bodies were established before the IBC 2016 specifically to facilitate the expeditious recovery of debt due to banks and financial institutions?
(A) Debt Recovery Tribunals (DRTs)
(B) Lok Adalats
(C) Consumer Disputes Redressal Commissions
(D) Securities Appellate Tribunals
(E) Answer not known

27. Which of the following represents the correct sequence of phases in the Corporate Insolvency Resolution Process (CIRP) under the IBC?
(A) Default → Admission in NCLT → Appointment of Resolution Professional →

CHAPTER 20

Banking, Financial Sector and Capital Markets

1. Consider the following statements regarding the functions of commercial banks:
I. Accepting deposits and lending are the primary functions of commercial banks.
II. Credit creation is determined solely by the initial cash reserve, irrespective of the reserve ratio.
III. Agency functions include the collection of cheques, dividends, and payment of premiums.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I only
(E) Answer not known

2. Under which schedule of the Reserve Bank of India Act, 1934 are scheduled banks listed?
(A) First Schedule
(B) Second Schedule
(C) Third Schedule
(D) Fourth Schedule
(E) Answer not known

3. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Commercial banks are able to create credit many times more than their initial deposits.
Reason (R): The money multiplier effect operates through the fractional reserve banking system, which is governed by the reserve ratio.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

4. Match the bank nationalisation events in List I with the corresponding facts in List II:
List I: (Bank Nationalisation Events)
P. First wave of nationalisation
Q. Second wave of nationalisation
R. Number of banks nationalised in 1969
S. Number of banks nationalised in 1980
List II: (Corresponding Facts)
I. 6
II. 14
III. 1969
IV. 1980
(A) P-I, Q-IV, R-II, S-III
(B) P-III, Q-IV, R-II, S-I
(C) P-IV, Q-III, R-I, S-II
(D) P-III, Q-II, R-IV, S-I
(E) Answer not known

5. Consider the following statements regarding Public Sector Banks (PSBs) in India:
I. They have majority ownership held by the Government of India.
II. They are entirely exempt from priority sector lending targets.
III. They currently hold a dominant position in the Indian banking landscape in terms of market share.
IV. They were primarily mandated to fulfill social obligations and expand banking outreach.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) I, III and IV only
(C) II, III and IV only
(D) I and IV only
(E) Answer not known

6. Which of the following is considered a 'new generation' private sector bank that established

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its presence rapidly post the 1991 economic reforms?
(A) Karur Vysya Bank
(B) City Union Bank
(C) Tamilnad Mercantile Bank
(D) HDFC Bank
(E) Answer not known

7. Which of the following represents the correct sequence of steps involved in an Initial Public Offering (IPO) process?
(A) Filing draft prospectus → SEBI approval → Price band fixing → Allotment → Listing
(B) Price band fixing → Filing draft prospectus → SEBI approval → Listing → Allotment
(C) SEBI approval → Filing draft prospectus → Price band fixing → Allotment → Listing
(D) Filing draft prospectus → Price band fixing → Allotment → SEBI approval → Listing
(E) Answer not known

8. Which of the following pairs of bank types and their primary characteristics is correctly matched?
(A) Payment Banks - Unrestricted full lending operations allowed
(B) Foreign Banks - Completely exempted from WTO commitments
(C) Small Finance Banks - Microfinance focus with full banking licence
(D) Non-scheduled Banks - Operations expanding significantly across states
(E) Answer not known

9. In the context of credit creation by commercial banks, how is the money multiplier conceptually defined?
(A) The ratio of total deposits to the statutory liquidity ratio
(B) The ratio of currency in circulation to total bank reserves
(C) The difference between the bank rate and the repo rate
(D) The inverse of the prevailing reserve ratio
(E) Answer not known

10. Consider the following features of the Pradhan Mantri Jan Dhan Yojana (PMJDY):
I. It provides a zero balance savings bank account.
II. It offers a RuPay debit card to the account holders.
III. It mandates a minimum balance of Rs. 1000 in rural branches.
IV. It provides an overdraft facility for eligible account holders.
V. It facilitates the delivery of Direct Benefit Transfers (DBT).
Which of the above statement(s) is/are correct?
(A) I, II, III and IV only
(B) I, II, IV and V only
(C) II, III, IV and V only
(D) I, III and V only
(E) Answer not known

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11. Which of the following statements about Regional Rural Banks (RRBs) is correct?
(A) Operated entirely without any sponsor commercial bank assistance
(B) Established on the Narasimham Committee's recommendations
(C) Regulated exclusively by the Securities and Exchange Board
(D) Prohibited from merging or amalgamating within a particular state
(E) Answer not known

12. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Payment banks in India can accept deposits and facilitate remittances but cannot issue credit cards.
Reason (R): Payment banks are mandated to lend their entire deposits to priority sector agriculture only.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

13. Match the development finance institutions in List I with the core focus areas in List II:
List I: (Development Finance Institutions)
P. IDBI
Q. NABARD
R. NHB
S. NaBFID

List II: (Core Focus Area)
I. Agriculture and Rural Development
II. Housing Finance
III. Industrial Development
IV. Infrastructure and Development
(A) P-III, Q-I, R-IV, S-II
(B) P-IV, Q-I, R-II, S-III
(C) P-III, Q-I, R-II, S-IV
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

14. Which of the following statements regarding the National Bank for Financing Infrastructure and Development (NaBFID) is incorrect?
(A) It was established as a new Development Finance Institution in 2021.
(B) It aims to support the development of long-term non-recourse infrastructure financing.
(C) It functions primarily to cater to the short-term consumption loan needs of retail individuals.
(D) It is supervised as an All India Financial Institution.
(E) Answer not known

15. Consider the following institutions and events. Arrange them in chronological order of their establishment or enactment:
I. Bank Nationalisation (First phase of 14 banks)
II. Bombay Stock Exchange (BSE)
III. Securities and Exchange Board of India (granted statutory status)
IV. Insolvency and Bankruptcy Code (IBC enactment)
(A) I, II, III, IV
(B) II, I, III, IV
(C) II, III, I, IV
(D) III, I, II, IV
(E) Answer not known

16. Which of the following pairs concerning the NBFC sector is correctly matched?
(A) Shadow Banking - Fully regulated commercial banking activities with strict CRR
(B) Microfinance Institutions - Regulated exclusively by state governments
(C) IL and FS Collapse - Triggered severe liquidity stress across the NBFC sector
(D) Joint Liability Groups - Demands heavy physical real estate collateral for loans
(E) Answer not known

17. Which of the following is NOT a characteristic of Microfinance Institutions (MFIs) operating in India?
(A) Adherence to RBI guidelines regarding client protection
(B) Mandatory linking of all group loans to high-value physical collateral
(C) Extension of credit through self-help groups or joint liability groups
(D) Primary focus on extending financial services to low-income households
(E) Answer not known

18. If a Scheduled Commercial Bank fails to meet its Priority Sector Lending (PSL) target, what is the standard market-based mechanism it can use to cover the shortfall?
(A) It must temporarily suspend all corporate lending operations.
(B) It has to surrender its banking licence to the Reserve Bank of India.
(C) It must forcibly convert a portion of its non-performing assets into equity.
(D) It can purchase Priority Sector Lending Certificates (PSLCs) from surplus banks.
(E) Answer not known

19. Identify the banking model that heavily utilizes local agents to provide last-mile connectivity and financial services to rural citizens who cannot easily access bank branches.
(A) Business Correspondent Model
(B) Asset Reconstruction Model
(C) Insolvency Professional Model
(D) Corporate Intermediary Model
(E) Answer not known

20. Based on the operational relationship between the primary and secondary capital markets, which of the following can be most accurately inferred?
(A) Relies on the secondary market exclusively for issuing unlisted bonds.
(B) Competes with the primary market to issue fresh capital to listed firms.
(C) Provides liquidity and price discovery for primary market securities.
(D) Deals exclusively in the issuance of long-

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34. Which of the following statements regarding the Government Securities (G-Secs) market is incorrect?
(A) G-Secs are debt instruments issued by the RBI on behalf of the Central and State Governments.
(B) The yield curve derived from G-Secs serves as a benchmark for pricing other financial instruments.
(C) Institutional investors like commercial banks and insurance companies are the major participants in this market.
(D) Corporate bonds are considered safer and carry lower yield compared to sovereign G-Secs.
(E) Answer not known

35. Consider the following banking consolidation events. Arrange them in chronological order:
I. Nationalisation of 6 additional commercial banks
II. Mega merger of Bank of Baroda with Vijaya Bank and Dena Bank
III. Merger of all associate banks into the State Bank of India
IV. Nationalisation of 14 major commercial banks
(A) IV, I, III, II
(B) I, IV, II, III
(C) IV, III, I, II
(D) I, III, IV, II
(E) Answer not known

36. Which of the following pairs of capital market intermediaries and their functions is correctly matched?
(A) Stockbrokers - Trade shares on behalf of retail investors during exchange hours.
(B) Depositories - Maintain the electronic record of share ownership in various funds.
(C) Merchant Bankers - Manage public issues and advise corporate issuers on regulations.
(D) Underwriters - Provide underwriting services to cover potential IPO shortfall risks.
(E) Answer not known

37. Which of the following is NOT an advantage of investing through a Systematic Investment Plan (SIP)?
(A) Provides guaranteed, high-yield fixed returns irrespective of market performance.
(B) It encourages financial discipline through regular investments.
(C) It benefits from rupee cost averaging during market volatility.
(D) It eliminates the need to time the stock market continuously.
(E) Answer not known

38. In the context of government securities, how does the yield curve conceptually assist investors and economists?
(A) Calculations regarding total currency in circulation against reserves.
(B) Determining the exact number of shares received during IPO allotments.
(C) Dictating the dividend policy of listed public sector banking entities.
(D) Graphing interest rates across maturities for economic expectations.
(E) Answer not known

39. Identify the financial institution that is the largest institutional investor in the Indian equity market and launched the largest-ever IPO in India in 2022.
(A) State Bank of India
(B) Life Insurance Corporation of India
(C) Unit Trust of India
(D) National Bank for Agriculture and Rural Development
(E) Answer not known

40. From the function of price discovery in capital markets, which of the following can be inferred regarding the secondary market?
(A) The price of a listed stock is strictly determined by SEBI on a daily basis.
(B) Issuing companies can change the face value of their shares at will to manipulate index points.
(C) The interaction of buyers and sellers continuously determines the fair market value of securities.
(D) Secondary market prices have no relation to the fundamental liquidity of the stock.
(E) Answer not known

41. Consider the following statements regarding dematerialisation:
I. It is the process of converting physical share

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Approval of Resolution Plan
(B) Default → Approval of Resolution Plan → Appointment of Resolution Professional → Admission in NCLT
(C) Admission in NCLT → Default → Approval of Resolution Plan → Appointment of Resolution Professional
(D) Appointment of Resolution Professional → Default → Admission in NCLT → Approval of Resolution Plan
(E) Answer not known

28. Which of the following pairs concerning the Basel norms is correctly matched?
(A) Introduced strict Liquidity Coverage Ratios and simplified leverage ratios.
(B) Based solely on a single pillar of minimum capital for all institutions.
(C) Enhanced capital adequacy and introduced new post-2008 liquidity standards.
(D) Defined exclusively by Tier III capital instruments and short-term debt.
(E) Answer not known

29. How is the Capital Adequacy Ratio (CAR) defined in the context of banking?
(A) The ratio of a bank's capital to its risk-weighted assets
(B) The ratio of total deposits to total advances
(C) The ratio of net non-performing assets to gross non-performing assets
(D) The ratio of Tier II capital to the statutory liquidity ratio
(E) Answer not known

30. Consider the following statements regarding the functions of the Securities and Exchange Board of India (SEBI):
I. Regulating business in stock exchanges.
II. Registering and regulating intermediaries like stockbrokers.
III. Printing and circulating national currency on behalf of the government.
IV. Prohibiting fraudulent and unfair trade practices like insider trading.
V. Educating investors and protecting their interests.
Which of the above statement(s) is/are correct?
(A) I, II, III and IV only
(B) I, II, IV and V only
(C) II, III, IV and V only
(D) I, III and V only
(E) Answer not known

31. Which of the following statements correctly describes the role of depositories like NSDL and CDSL in the Indian capital market?
(A) Act as primary lenders to large corporate entities during an IPO.
(B) Physically hold all stock certificates in secure national bank vaults.
(C) Responsible for setting the national monetary policy and interest rates.
(D) Facilitate dematerialisation and maintain electronic ownership records.
(E) Answer not known

32. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Mutual funds pool money from various investors to invest in a diversified portfolio of securities.
Reason (R): Systematic Investment Plans (SIP) allow retail investors to invest small, fixed amounts regularly in mutual funds.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

33. Match the market indices in List I with the constituents or base details in List II:
List I: (Market Indices)
P. SENSEX
Q. NIFTY 50
R. BSE Base Year
S. NSE Base Year
List II: (Constituents/Base Details)
I. 50 Stocks
II. 30 Stocks
III. 1978-79
IV. 1995
(A) P-II, Q-I, R-III, S-IV
(B) P-I, Q-II, R-IV, S-III
(C) P-II, Q-III, R-I, S-IV
(D) P-III, Q-II, R-IV, S-I
(E) Answer not known

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status
(E) Answer not known

48. Which of the following pairs concerning mutual funds is correctly matched?
(A) Net Asset Value (NAV) - The fixed guaranteed interest rate offered by the mutual fund
(B) Association of Mutual Funds in India (AMFI) - The statutory regulator replacing SEBI for funds
(C) Asset Management Company - The entity that pools money and makes investment decisions
(D) Equity Mutual Fund - Invests exclusively in short-term government treasury bills
(E) Answer not known

49. In the context of the financial sector, how is the term 'shadow banking' most appropriately defined?
(A) Foreign banks operating in India without establishing physical branches.
(B) Bank-like activities performed by entities outside traditional regulations.
(C) The underground money-lending market dealing entirely in cash transactions.
(D) Commercial banks lending secretly to corporate entities in default.
(E) Answer not known

50. Consider the following statements regarding Cooperative Banks in India:
I. They are generally organized on a three-tier structure in the states for rural credit.
II. State Cooperative Banks operate at the apex level within a state.
III. Urban Cooperative Banks primarily operate in metropolitan and urban areas.
IV. NABARD is responsible for the overall supervision of rural cooperative banks.
V. They operate entirely for maximum profit maximization, discarding cooperative principles.
Which of the above statement(s) is/are correct?
(A) I, II, III and IV only
(B) I, II, IV and V only
(C) II, III, IV and V only
(D) I, III and V only
(E) Answer not known

51. Which of the following statements correctly identifies a core dimension of financial inclusion in India?
(A) Providing affordable access to financial services for vulnerable groups.
(B) Limiting banking services exclusively to urban metropolitan areas.
(C) Ensuring all rural households hold a mandatory Demat account.
(D) Restricting priority sector lending to large-scale industries.
(E) Answer not known

52. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The National Company Law Tribunal (NCLT) serves as the adjudicating authority for corporate insolvency resolution under the IBC.
Reason (R): NCLT provides a structured legal framework to ensure that the insolvency process is completed in a time-bound manner.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

53. Match the acquiring or anchor banks in List I with the merged entities in List II:
List I: (Acquiring/Anchor Banks)
P. State Bank of India
Q. Bank of Baroda
R. Punjab National Bank
S. Canara Bank
List II: (Merged Entities)
I. Oriental Bank of Commerce and United Bank of India
II. Vijaya Bank and Dena Bank
III. Associate Banks and Bharatiya Mahila Bank
IV. Syndicate Bank
(A) P-III, Q-II, R-I, S-IV
(B) P-II, Q-III, R-IV, S-I
(C) P-III, Q-I, R-II, S-IV
(D) P-IV, Q-II, R-III, S-I
(E) Answer not known

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certificates into an equivalent number of securities in electronic form.
II. A Demat account is mandatory for an investor to trade shares in the secondary market.
III. Depositories hold the physical certificates securely while issuing paper receipts to the investor.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I only
(E) Answer not known

42. In which year was the Bombay Stock Exchange (BSE), the oldest stock exchange in Asia, established?
(A) 1857
(B) 1875
(C) 1901
(D) 1947
(E) Answer not known

43. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Non-Banking Financial Companies (NBFCs) in India are legally permitted to accept demand deposits like savings and current accounts.
Reason (R): NBFCs play a crucial role in financial inclusion by extending credit to the unbanked and informal sectors.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

44. Match the PMJDY features in List I with the primary objectives in List II:
List I: (PMJDY Features)
P. Zero balance account
Q. RuPay card
R. Overdraft facility
S. Direct Benefit Transfer (DBT)
List II: (Primary Objectives)
I. Accessible digital payment settlement
II. Delivery of government subsidies directly
III. Financial inclusion for low-income citizens
IV. Short-term micro-credit access
(A) P-III, Q-I, R-IV, S-II
(B) P-IV, Q-II, R-I, S-III
(C) P-I, Q-III, R-IV, S-II
(D) P-III, Q-IV, R-I, S-II
(E) Answer not known

45. Consider the following statements regarding debt instruments in India:
I. Government Securities (G-Secs) are sovereign bonds issued by the RBI on behalf of the government.
II. Corporate bonds generally carry a higher credit risk compared to sovereign G-Secs.
III. The yield curve reflects the interest rates across different maturity periods of G-Secs.
IV. Retail investors are entirely banned from purchasing Government Securities.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) I, III and IV only
(C) II, III and IV only
(D) I and IV only
(E) Answer not known

46. What is the base year designated for the calculation of the NIFTY 50 index by the National Stock Exchange?
(A) 1978-79
(B) 1985
(C) 1992
(D) 1995
(E) Answer not known

47. Which of the following represents the correct chronological sequence of regulatory milestones in the Indian capital market?
(A) Establishment of SEBI → SEBI granted statutory status → Enactment of Depositories Act
(B) SEBI granted statutory status → Establishment of SEBI → Enactment of Depositories Act
(C) Enactment of Depositories Act → Establishment of SEBI → SEBI granted statutory status
(D) Establishment of SEBI → Enactment of Depositories Act → SEBI granted statutory

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after the 1991 reforms that India began to actively pursue trade liberalization and enter into various bilateral and regional trade pacts with other nations.

95. (A) Both A and R are true and R is the correct explanation of A.
At the World Trade Organisation, agricultural subsidies are a major point of conflict between developed and developing nations. Developing countries like India advocate for a permanent peace clause to protect their food security programs. These programs, which involve purchasing and storing food for the poor, can sometimes exceed allowed subsidy limits, necessitating legal protection to avoid trade disputes and ensure national welfare.

96. (A) P-II, Q-I, R-II, S-III
India has entered into various trade agreements to enhance regional and bilateral economic cooperation. The comprehensive partnership with the United Arab Emirates and the trade agreement with Australia are key recent examples. In South Asia, the SAFTA framework aims to reduce barriers among neighboring countries. Additionally, the long-standing agreement with the ASEAN nations facilitates trade with the diverse economies of Southeast Asia.

97. (A) Balance of Trade - Includes only the trade of visible goods (merchandise)
The balance of trade specifically refers to the difference between a country's total value of merchandise exports and imports. It focuses exclusively on tangible, visible goods. Other terms like trade deficit indicate when imports exceed exports. Tariff binding relates to commitments on duty levels rather than quantities. The most favoured nation principle requires equal treatment for all trading partners rather than excluding them.

98. (B) Both A and R are true but R is not the correct explanation of A.
The government promotes export-oriented units and special economic zones to boost foreign exchange earnings and industrial growth. At the same time, India's current account faces structural pressure from the high cost of importing crude oil and gold. While both statements are true, the promotion of export zones is part of a broader development strategy rather than a direct response only to these imports.

99. (A) P-IV, Q-I, R-III, S-II
Major Indian cities have developed specialized export profiles based on regional industrial clusters. Surat is globally renowned for diamond cutting and polishing services. Bengaluru is the primary hub for information technology and software exports. Tiruppur excels in the production of cotton knitwear and ready-made garments. Pune has established itself as a significant center for the manufacturing and export of automobiles and engineering components.

100. (D) Secondary Income (Remittances) - Structurally in deficit
India's current account is characterized by distinct trends across its various components. While merchandise trade typically shows a deficit and services trade shows a surplus, secondary income is structurally in surplus. This is due to the massive inflows of remittances from the global Indian diaspora. Claiming that secondary income is in deficit is incorrect, as it is a key positive factor for the balance.

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54. Which of the following statements regarding foreign banks operating in India is incorrect?
(A) They operate in India either through branches or as wholly-owned subsidiaries.
(B) Their operations are subject to India's commitments to the World Trade Organization (WTO).
(C) They bring in advanced banking technology and global best practices.
(D) They face no restrictions regarding branch expansion in rural and urban areas.
(E) Answer not known

55. Consider the following steps involved in starting a Systematic Investment Plan (SIP). Arrange them in logical order:
I. Opening a Demat account and completing KYC
II. Setting up an auto-debit bank mandate
III. Periodic deduction of the fixed investment amount
IV. Allotment of mutual fund units based on current NAV
(A) I, II, III, IV
(B) II, I, IV, III
(C) I, III, II, IV
(D) IV, I, II, III
(E) Answer not known

56. Which of the following pairs of IBC terminology and its function is incorrectly matched?
(A) Resolution Professional - Manages the operations of the corporate debtor during the resolution period
(B) Liquidator - Takes over the assets of the corporate debtor if resolution fails
(C) National Company Law Tribunal - Adjudicating authority strictly for individual and partnership insolvency
(D) Committee of Creditors - Evaluates and approves the resolution plan
(E) Answer not known

57. Which of the following is NOT a restriction or condition placed on Small Finance Banks (SFBs) by the Reserve Bank of India?
(A) They must extend 75% of their Adjusted Net Bank Credit to the priority sector.
(B) At least 50% of their loan portfolio must constitute loans up to Rs. 25 lakh.
(C) They must focus primarily on unserved and underserved sections like micro industries.
(D) They are entirely prohibited from accepting any deposits from the public.
(E) Answer not known

58. How does 'rupee cost averaging' benefit a retail investor applying the concept of SIP in mutual funds?
(A) Buying more units when prices are low and fewer when high.
(B) Guaranteeing that the stock market moves in an upward trajectory.
(C) Averaging interest rates across all public sector commercial banks.
(D) Eliminating the taxation on all long-term capital gains for investors.
(E) Answer not known

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59. Identify the financial inclusion feature that enables bank customers to access basic banking services through microATMs using biometric authentication.
(A) Immediate Payment Service (IMPS)
(B) Aadhaar enabled Payment System (AePS)
(C) Real Time Gross Settlement (RTGS)
(D) Priority Sector Lending Certificate (PSLC)
(E) Answer not known

60. From the mechanics of the money multiplier, what can be inferred if the Reserve Bank of India sharply increases the cash reserve ratio?
(A) The credit creation capacity of commercial banks will proportionally increase.
(B) The credit creation capacity of commercial banks will proportionally decrease.
(C) Commercial banks will immediately convert all deposits into foreign exchange.
(D) The money multiplier effect will become infinite.
(E) Answer not known

61. Consider the following statements regarding issue mechanisms in the primary market:
I. A Follow-on Public Offering (FPO) is issued by a company that is already listed on a stock exchange.
II. A Rights Issue is an invitation strictly to existing shareholders to purchase additional new shares.
III. Initial Public Offerings (IPOs) are only allowed for government-owned public

ANSWERS

1. (C) I and III only
Primary functions of commercial banks involve accepting deposits and providing loans to various sectors. Agency functions include collecting cheques and dividends and paying insurance premiums on behalf of customers. Credit creation is not solely based on initial cash reserves but depends heavily on the reserve ratio set by the central bank. These statements correctly distinguish between basic banking services and regulatory credit operations.

2. (B) Second Schedule
Banks listed in the Second Schedule of the Reserve Bank of India Act, 1934, are designated as scheduled banks. These institutions must meet specific criteria, such as maintaining a minimum paid-up capital and reserve aggregate. Inclusion ensures they are eligible for loans from the central bank and must comply with specific statutory liquidity and cash reserve requirements consistently over time.

3. (A) Both A and R are true and R is the correct explanation of A.
Commercial banks generate credit exceeding their initial deposits through a process known as the money multiplier. This operation is supported by the fractional reserve banking system, where banks keep a small percentage of deposits as reserves and lend the remainder. The reserve ratio inversely determines the multiplier, explaining how small initial deposits expand into significant credit volume across the broader economy.

4. (B) P-III, Q-IV, R-II, S-I
The first wave of bank nationalisation occurred in 1969, targeting fourteen major commercial banks to enhance social control over credit. A second wave followed in 1980, involving six additional banks to further expand the reach of the formal banking sector. These events represent critical milestones in shifting the Indian banking landscape toward fulfilling broader socio-economic developmental objectives and rural expansion.

5. (B) I, III and IV only
Public Sector Banks are entities where the government holds majority ownership. These institutions were mandated to expand banking outreach and fulfill social obligations, particularly in rural areas. They currently maintain a dominant market share in the Indian financial sector. However, they are not exempt from priority sector lending targets; rather, they must strictly adhere to these specific regulatory mandates to ensure inclusive growth.

6. (D) HDFC Bank
Following the 1991 economic reforms and the Narasimham Committee recommendations, the Reserve Bank of India permitted the entry of new generation private sector banks. These institutions, including HDFC Bank, leveraged modern technology and efficient service delivery to establish a rapid presence. They contrast with older private banks that existed before the liberalisation period, focusing heavily on urban and tech-savvy market segments.

7. (A) Filing draft prospectus → SEBI approval → Price band fixing → Allotment → Listing
An Initial Public Offering involves a systematic sequence starting with filing a draft prospectus for regulatory scrutiny. After receiving approval from the Securities and Exchange Board, the issuing company fixes the price band for potential investors. The process concludes with the allotment of shares to successful applicants and the final listing of the company on recognized stock exchanges for active secondary trading.

8. (C) Small Finance Banks - Microfinance focus with full banking licence
Small Finance Banks are specialized institutions holding full banking licenses with a primary focus on microfinance and serving unserved sections. Unlike payment banks, they are permitted to conduct lending operations. They aim to provide basic banking activities to small business units, small and marginal farmers, and micro industries, ensuring greater financial

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underwriting of unsold IPO shares
(B) Depositories - Directly provide long-term project finance to companies
(C) Merchant Bankers - Lead manage public issues and ensure regulatory compliance
(D) Stockbrokers - Audit the annual financial statements of listed companies
(E) Answer not known

69. In the context of banking asset quality, how is the term 'Net NPA' defined?
(A) Gross NPA minus the provisioning made by the bank
(B) Gross NPA plus the statutory liquidity ratio
(C) Total advances minus the Gross NPA
(D) The total amount of loans written off by the bank entirely
(E) Answer not known

70. Consider the following statements regarding NaBFID:
I. It is the National Bank for Financing Infrastructure and Development.
II. It was established as a new Development Finance Institution in 2021.
III. Its primary goal is to support long-term non-recourse infrastructure financing.
IV. It is regulated and supervised as an All India Financial Institution.
V. Its operations are primarily focused on retail consumption lending.
Which of the above statement(s) is/are correct?
(A) I, II, III and IV only
(B) I, II, IV and V only
(C) II, III, IV and V only
(D) I, III and V only
(E) Answer not known

71. Which of the following statements correctly describes the practice of 'evergreening of loans' by commercial banks?
(A) Providing interest-free agricultural loans to small farmers permanently.
(B) Lending to a borrower solely to pay off an existing defaulting loan.
(C) Converting short-term corporate deposits into long-term infrastructure bonds.
(D) Automatically upgrading all Non-Performing Assets to standard assets yearly.
(E) Answer not known

72. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Debt Recovery Tribunals (DRTs) were established as a mechanism to help banks and financial institutions recover bad loans.
Reason (R): The SARFAESI Act was enacted in 2002 to empower banks to directly auction secured residential and commercial properties.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

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73. Match the capital adequacy terms in List I with the meanings in List II:
List I: (Capital Adequacy Terms)
P. Tier I Capital
Q. Tier II Capital
R. Basel Norms
S. Capital Adequacy Ratio (CAR)
List II: (Meanings)
I. International banking regulations for capital and risk
II. Core equity capital and disclosed reserves
III. Minimum capital requirement against risk-weighted assets
IV. Supplementary capital like subordinated debt
(A) P-II, Q-IV, R-I, S-III
(B) P-I, Q-III, R-II, S-IV
(C) P-III, Q-I, R-IV, S-II
(D) P-II, Q-I, R-III, S-IV
(E) Answer not known

74. Which of the following statements regarding the Prompt Corrective Action (PCA) framework of the RBI is incorrect?
(A) It strictly imposes no restrictions on the declaration of dividends by the affected bank.
(B) It aims to rehabilitate weak banks through structured early intervention.
(C) It is triggered when banks breach certain thresholds in capital, asset quality, or profitability.
(D) It can place limits on the expansion of bank

branches and management compensation.
(E) Answer not known

75. Consider the following developments in the Indian banking sector. Arrange them in chronological order:
I. Evolution of new generation private sector banks
II. Nationalisation of 14 major commercial banks
III. Mega consolidation of public sector banks
IV. Establishment of the Imperial Bank of India
(A) IV, II, I, III
(B) II, I, IV, III
(C) IV, I, II, III
(D) I, IV, II, III
(E) Answer not known

76. Which of the following pairs concerning Priority Sector Lending (PSL) categories is correctly matched?
(A) Agriculture - Excluded from PSL targets for Public Sector Banks
(B) MSMEs - Included as a core category under PSL targets
(C) Export Credit - Restricted only to non-scheduled cooperative banks
(D) Renewable Energy - Explicitly banned from receiving PSL benefits
(E) Answer not known

77. Which of the following is NOT typically classified as a demand deposit in a commercial bank?
(A) Fixed Deposit with a maturity of 5 years
(B) Savings Account deposit
(C) Current Account deposit
(D) Balances in overdraft-linked savings accounts
(E) Answer not known

78. Applying the concept of the money multiplier, what happens to the total money supply if the public decides to hold more cash instead of depositing it in banks, assuming the reserve ratio remains constant?
(A) The money supply exponentially increases across all urban sectors.
(B) The money supply remains entirely unaffected by public cash holdings.
(C) Bank credit creation falls, decreasing the total money supply.
(D) The central bank prints equivalent currency to balance commercial reserves.
(E) Answer not known

79. Identify the key feature of the Pradhan Mantri Jan Dhan Yojana (PMJDY) that significantly brought the unbanked poor into the formal financial system.
(A) Mandatory linking of accounts with high-value collateral
(B) Compulsory investment in equity mutual funds
(C) Restriction of account usage strictly to urban ATMs
(D) Opening of bank accounts with a zero balance requirement
(E) Answer not known

80. From the recent mega mergers of Public Sector Banks in India, what can be reasonably inferred as the primary strategic objective of the government?
(A) Fragmenting large banks into smaller, manageable regional entities.
(B) Privatising all public sector banks to reduce the fiscal deficit.
(C) Creating globally competitive banks through economies of scale.
(D) Shifting entire banking operations to shadow banking NBFC entities.
(E) Answer not known

81. Consider the following statements regarding the Insurance Regulatory and Development Authority of India (IRDAI):
I. It is the statutory body regulating the life and non-life insurance sectors in India.
II. It issues licences to insurance companies and protects policyholders' interests.
III. It manages the day-to-day operations of the Bombay Stock Exchange.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I only
(E) Answer not known

82. Regional Rural Banks (RRBs) function under the sponsorship of which of the following entities?

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(A) Only the State Governments
(B) Only the Reserve Bank of India
(C) Microfinance Institutions
(D) Scheduled Commercial Banks
(E) Answer not known

83. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Payment banks in India can issue loans and credit cards up to a limit of Rs. 1 lakh per customer.
Reason (R): Payment banks were established primarily to expand financial inclusion by offering savings and remittance services to migrant workers and low-income households.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

84. Match the committees and acts in List I with the related banking reforms in List II:
List I: (Committees/Acts)
P. Narasimham Committee (1991)
Q. SARFAESI Act
R. Insolvency and Bankruptcy Code
S. Basel Committee
List II: (Related Banking Reforms)
I. NPA resolution without court intervention
II. Financial sector and banking structure reforms
III. Global capital adequacy norms
IV. Time-bound corporate insolvency process
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-IV, Q-III, R-I, S-II
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

85. Consider the following statements regarding the significance of a Demat account:
I. It eliminates the risks associated with paper shares, such as theft and forgery.
II. It allows for the immediate transfer of securities.
III. It facilitates paperless trading in the secondary market.
IV. It prevents investors from participating in IPOs in the primary market.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) I, III and IV only
(C) II, III and IV only
(D) I and IV only
(E) Answer not known

86. In which year was the Securities and Exchange Board of India (SEBI) granted statutory status by an Act of Parliament?
(A) 1988
(B) 1991
(C) 1992
(D) 1996
(E) Answer not known

87. Which of the following represents the correct order of operations for determining a mutual fund's Net Asset Value (NAV) on a daily basis?
(A) Calculate total market value of assets → Subtract liabilities → Divide by total number of outstanding units
(B) Subtract liabilities → Calculate total market value of assets → Divide by total number of outstanding units
(C) Divide by total number of outstanding units → Calculate total market value of assets → Subtract liabilities
(D) Calculate total market value of assets → Divide by total number of outstanding units → Subtract liabilities
(E) Answer not known

88. Which of the following pairs of financial instruments is correctly matched with its nature?
(A) Equity Shares - Represents debt owed by the company to the shareholder
(B) Corporate Bonds - Represents an ownership stake in the company
(C) Debentures - Debt instruments usually issued without physical collateral
(D) Government Securities - Highly volatile instruments with maximum default risk
(E) Answer not known

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89. According to standard definitions adopted by the RBI, what does 'Financial Inclusion' primarily aim to achieve?
(A) Ensuring every citizen pays direct taxes to the central government.
(B) Mandating that all financial transactions be strictly and only cashless.
(C) Providing unrestricted corporate loans to large-scale industrial firms.
(D) Providing affordable access to financial services for vulnerable groups.
(E) Answer not known

90. Consider the following statements regarding retail participation in Mutual Funds in India:
I. Systematic Investment Plans (SIP) have significantly boosted retail participation.
II. AMFI is the nodal association representing mutual funds in India.
III. Mutual fund investments are subject to market risks.
IV. The NAV of a mutual fund fluctuates based on the performance of its underlying assets.
V. Retail investors are entirely shielded from any capital loss by SEBI guarantee.
Which of the above statement(s) is/are correct?
(A) I, II, III and IV only
(B) I, II, IV and V only
(C) II, III, IV and V only
(D) I, III and V only
(E) Answer not known

91. Which of the following statements about Direct Benefit Transfer (DBT) is correct?
(A) Requiring intermediaries to manually distribute cash to local beneficiaries.
(B) Leveraging PMJDY and Aadhaar to transfer subsidies to bank accounts.
(C) Applicable only to corporate subsidies for large-scale national industries.
(D) Prohibiting the use of the Business Correspondent model for withdrawals.
(E) Answer not known

92. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Non-scheduled banks have a severely declining significance and limited operations in the modern Indian banking system.
Reason (R): Scheduled banks are included in the Second Schedule of the Reserve Bank of India Act, 1934.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

93. Match the NBFC sector aspects in List I with the descriptions in List II:
List I: (NBFC Sector Aspects)
P. IL and FS Crisis
Q. Shadow Banking
R. NBFC Regulation
S. Liquidity Stress
List II: (Descriptions)
I. Triggered a massive credit squeeze in 2018
II. Bank-like activities outside strict banking regulation
III. Tightened by RBI post-crisis
IV. Inability to roll over short-term commercial papers
(A) P-I, Q-II, R-III, S-IV
(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-II, R-I, S-IV
(D) P-I, Q-IV, R-II, S-III
(E) Answer not known

94. Which of the following statements comparing Cooperative Banks and Commercial Banks is incorrect?
(A) Commercial banks are strictly regulated by the RBI alone, while cooperative banks often face dual control.
(B) Cooperative banks are established primarily on the principle of mutual help rather than pure profit maximization.
(C) Urban Cooperative Banks are exempt from all forms of RBI supervision and regulation.
(D) Commercial banks operate on a much larger scale pan-India compared to typical cooperative banks.
(E) Answer not known

95. Consider the following equity indices. Arrange them in ascending order based on the number of constituent stocks they track:

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I. NIFTY 50
II. BSE SENSEX
(A) I, II
(B) II, I
(C) Both have the same number
(D) Cannot be determined
(E) Answer not known

96. Which of the following pairs concerning SEBI's regulatory ambit is correctly matched?
(A) Issuers of Securities - Prohibited from approaching the primary market
(B) Foreign Institutional Investors - Regulated solely by the Ministry of Finance
(C) Investors - Provided protection and education by SEBI mandates
(D) Market Intermediaries - Exempted from obtaining SEBI registration
(E) Answer not known

97. Which of the following is NOT typically a major institutional investor in the Government Securities (G-Secs) market in India?
(A) Commercial Banks
(B) Microfinance Joint Liability Groups
(C) Life Insurance Corporation of India (LIC)
(D) Provident and Pension Funds
(E) Answer not known

98. If the RBI drastically increases the Bank Rate and Repo Rate, what is the most likely application of this concept on the commercial banking sector?
(A) Commercial banks will reduce their corporate lending rates to stimulate growth.
(B) Banks increase lending rates, making credit expensive for borrowers.
(C) Credit creation by banks hits an all-time high in the private sector.
(D) Commercial banks immediately stop accepting deposits from the general public.
(E) Answer not known

99. Identify the core agency function among the following services provided by a modern commercial bank.
(A) Collecting premium payments and utility bills for customers.
(B) Sanctioning large corporate term loans for infrastructure projects.
(C) Issuing fresh currency notes to the public on behalf of the RBI.
(D) Purchasing non-performing assets from other struggling bank entities.
(E) Answer not known

100. Based on the functions of the capital market, what can be inferred about its role in the broader economic development of a country?
(A) Stifling national economic growth by locking capital in non-productive vaults.
(B) Driving development exclusively by replacing the entire commercial banking system.
(C) Mobilizing idle savings into productive long-term national investments.
(D) Focusing on short-term speculative trading with no link to capital formation.
(E) Answer not known

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sector enterprises.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I only
(E) Answer not known

62. Which period is considered the base year for the calculation of the BSE SENSEX?
(A) 1947-48
(B) 1978-79
(C) 1991-92
(D) 2000-01
(E) Answer not known

63. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The RBI conducts auctions to issue government securities to institutional investors in the primary market.
Reason (R): Government securities are highly risky debt instruments with a high probability of default.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

64. Match the financial inclusion initiatives in List I with the key characteristics in List II:
List I: (Financial Inclusion Initiatives)
P. AePS
Q. BC Model
R. PMJDY
S. Microfinance
List II: (Key Characteristics)
I. Local agents providing last-mile banking
II. Biometric-enabled rural transactions
III. Joint Liability Groups linkage
IV. Zero balance accounts with overdraft
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-IV, Q-III, R-II, S-I
(D) P-II, Q-IV, R-I, S-III
(E) Answer not known

65. Consider the following statements regarding Joint Liability Groups (JLGs) in microfinance:
I. Members of the group provide mutual guarantees for loans taken by individuals in the group.
II. The mechanism significantly reduces the need for heavy physical collateral.
III. The RBI imposes a regulatory framework to protect clients, including interest rate guidelines.
IV. Microfinance Institutions operating through JLGs are mandated to lend only to large corporations.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) I, III and IV only
(C) II, III and IV only
(D) I and IV only
(E) Answer not known

66. Which entity manages the largest Asset Under Management (AUM) in the Indian insurance sector and acts as the largest institutional investor in capital markets?
(A) General Insurance Corporation
(B) HDFC Life
(C) SBI Life Insurance
(D) Life Insurance Corporation of India (LIC)
(E) Answer not known

67. Which of the following represents the correct sequential flow of credit creation in a commercial banking system?
(A) Primary deposits received → Cash reserves kept aside → Excess reserves lent out → Loans redeposited as secondary deposits
(B) Loans redeposited as secondary deposits → Cash reserves kept aside → Primary deposits received → Excess reserves lent out
(C) Cash reserves kept aside → Primary deposits received → Loans redeposited as secondary deposits → Excess reserves lent out
(D) Excess reserves lent out → Primary deposits received → Loans redeposited as secondary deposits → Cash reserves kept aside
(E) Answer not known

68. Which of the following pairs of market intermediaries is correctly matched with its role?
(A) Registrars to an Issue - Manage the

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inclusion through structured credit and deposit facilities in rural areas.

9. (D) The inverse of the prevailing reserve ratio
The money multiplier is conceptually defined as the inverse of the required reserve ratio. It represents the maximum amount of broad money the banking system generates with each unit of central bank reserves. If the reserve ratio is lower, the multiplier increases, allowing banks to create more credit. This relationship is fundamental to understanding how central bank policies influence overall market liquidity.

10. (B) I, II, IV and V only
The Pradhan Mantri Jan Dhan Yojana is a massive financial inclusion initiative offering zero-balance savings accounts. Key features include providing RuPay debit cards, offering overdraft facilities to eligible account holders, and facilitating direct benefit transfers of government subsidies. There is no requirement for a minimum balance of one thousand rupees in rural branches, as the scheme focuses on providing universal accessibility.

11. (B) Established on the Narasimham Committee's recommendations
Regional Rural Banks were established following the recommendations of the Narasimham Working Group in 1975 to address rural credit needs. These banks operate under the sponsorship of scheduled commercial banks and are regulated by the Reserve Bank of India. They combine the local feel and familiarity of cooperatives with the professional business temperament of commercial banks to serve diverse rural populations.

12. (C) A is true but R is false.
Payment banks are specialized entities permitted to accept deposits and facilitate remittances, but they are strictly prohibited from issuing credit cards or engaging in lending activities. The assertion that they cannot issue credit cards is accurate. However, the reasoning is flawed because these banks are not allowed to lend to the priority sector or any other sector under current regulatory guidelines.

13. (C) P-III, Q-I, R-II, S-IV
Development Finance Institutions specialize in providing long-term capital for specific sectors. NABARD focuses on agriculture and rural development, while the National Housing Bank oversees housing finance. IDBI was originally established for industrial development, and NaBFID is a recently formed institution dedicated to infrastructure and development projects. These institutions play a vital role in financing national priorities and meeting long-term economic development goals.

14. (C) It functions primarily to cater to the short-term consumption loan needs of retail individuals.
The National Bank for Financing Infrastructure and Development was established in 2021 as a specialized development finance institution. Its core purpose is to provide long-term, non-recourse infrastructure financing and bridge the funding gap in national projects. It does not focus on short-term retail consumption loans, which are typically the domain of commercial banks and non-banking financial companies for retail individuals.

15. (B) II, I, III, IV
The Bombay Stock Exchange is Asia's oldest, founded in 1875. The first phase of nationalising fourteen major banks occurred in 1969. The Securities and Exchange Board of India received its statutory status later in 1992 through an Act of Parliament. Finally, the Insolvency and Bankruptcy Code was enacted in 2016 to streamline corporate insolvency and debt resolution processes across the Indian economy.

16. (C) IL and FS Collapse - Triggered severe liquidity stress across the NBFC sector
The collapse of Infrastructure Leasing & Financial Services in 2018 was a pivotal event that caused significant liquidity stress throughout the non-banking financial company sector. This crisis highlighted vulnerabilities in shadow banking, leading to tighter regulatory oversight by the central bank. Shadow banking involves bank-like activities performed by entities outside traditional regulations, which are not exempt from various liquidity and default risks.

17. (B) Mandatory linking of all group loans to high-value physical collateral
Microfinance Institutions primarily serve low-income households by providing financial services through self-help groups or joint liability

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groups. These entities do not mandate high-value physical collateral, as their model relies on mutual guarantees and social pressure among group members. They must adhere to client protection guidelines set by the regulator to ensure fair lending practices and prevent over-indebtedness among vulnerable borrowers.

18. (D) It can purchase Priority Sector Lending Certificates (PSLCs) from surplus banks.
When a scheduled commercial bank fails to meet its priority sector lending targets, it can utilize the market-based mechanism of purchasing Priority Sector Lending Certificates. These certificates allow banks with a surplus in lending to specific sectors to sell their excess to banks facing a shortfall. This system ensures overall sector targets are met without requiring a direct transfer of underlying assets.

19. (A) Business Correspondent Model
The Business Correspondent model utilizes local agents to provide last-mile banking connectivity to rural citizens. These intermediaries are authorized by banks to offer basic services such as account opening, cash deposits, and withdrawals using biometric devices like microATMs. This approach significantly enhances financial inclusion by overcoming the physical limitations of branch-based banking in remote areas where established bank branches are absent.

20. (C) Provides liquidity and price discovery for primary market securities
The secondary market plays a crucial role by providing liquidity to investors who purchased securities in the primary market. It allows for continuous price discovery through the interaction of buyers and sellers on stock exchanges. Without an active secondary market, investors would find it difficult to sell their holdings, which would significantly reduce the overall attractiveness of fresh issues in the primary market.

21. (C) I and III only
Gross Non-Performing Assets represent the total amount of loans defaulted before any deductions are made. Provisioning is the process where banks set aside profits to cover potential losses from these defaults. Net NPA is actually calculated by subtracting the provisioning amount from the Gross NPA figure. Therefore, the statements defining Gross NPA and the purpose of provisioning are factually accurate and neutral.

22. (C) 2002
The SARFAESI Act was enacted in 2002 to provide a legal framework for banks and financial institutions to recover bad loans efficiently. It allows creditors to seize and auction secured assets, such as residential or commercial properties, when a borrower defaults. This legislation was a significant reform aimed at reducing non-performing assets by bypassing lengthy court interventions for specific secured debts.

23. (A) Both A and R are true and R is the correct explanation of A.
The SARFAESI Act empowers financial institutions to recover secured assets without court intervention, which directly accelerates the resolution of bad loans. By allowing the direct auction of residential and commercial properties, the Act provides a swift mechanism for banks to realize the value of collateral. This legal empowerment is essential for maintaining the health of the banking sector through rapid recovery.

24. (A) P-III, Q-I, R-IV, S-II
An Initial Public Offering is the first time a company issues shares to the public. A Follow-on Public Offering occurs when a previously listed company issues additional shares. Rights Issues are specifically offered to existing shareholders, allowing them to maintain their ownership percentage. The SENSEX is the benchmark index of the Bombay Stock Exchange, tracking thirty of its largest and most active stocks.

25. (B) I, II and IV only
The Insolvency and Bankruptcy Code of 2016 introduced a strictly time-bound resolution process, shifting control of defaulting firms from debtors to creditors. Resolution Professionals are appointed to manage corporate operations during this period. The National Company Law Tribunal remains the central adjudicating authority rather than being abolished. These reforms aim to maximize asset value and ensure the efficient exit of failing businesses.

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26. (A) Debt Recovery Tribunals (DRTs)
Debt Recovery Tribunals are quasi-judicial bodies established prior to the Insolvency and Bankruptcy Code specifically to facilitate the rapid recovery of debts owed to banks. They were designed to provide a faster alternative to civil courts for financial institutions. While other bodies like Lok Adalats exist, DRTs remain the primary specialized forums for adjudicating claims related to non-performing assets and defaults.

27. (A) Default → Admission in NCLT → Appointment of Resolution Professional → Approval of Resolution Plan
The Corporate Insolvency Resolution Process begins when a corporate debtor defaults on its obligations. Following this, an application is admitted by the National Company Law Tribunal, leading to the appointment of an Interim Resolution Professional. This professional manages the firm while the Committee of Creditors evaluates and eventually approves a final resolution plan to revive the entity or proceed toward final liquidation.

28. (C) Enhanced capital adequacy and introduced new post-2008 liquidity standards.
Basel III norms were developed after the 2008 global financial crisis to strengthen the regulation, supervision, and risk management of the banking sector. They enhanced capital adequacy requirements and introduced new liquidity standards, such as the Liquidity Coverage Ratio and Net Stable Funding Ratio. These international standards aim to improve the banking industry's ability to absorb shocks from financial and economic stress.

29. (A) The ratio of a bank's capital to its risk-weighted assets
The Capital Adequacy Ratio is a measure of a bank's available capital expressed as a percentage of its risk-weighted credit exposures. It serves as a safeguard to protect depositors and promote stability in financial systems worldwide. Regulators use this ratio to ensure that banks can absorb a reasonable amount of loss and comply with statutory capital requirements under Basel frameworks.

30. (B) I, II, IV and V only
The Securities and Exchange Board of India regulates business in stock exchanges and registers intermediaries like stockbrokers. Its mandate includes prohibiting fraudulent trade practices such as insider trading and educating investors to protect their interests. Currency printing and circulation are functions of the central bank, not the securities regulator. Therefore, SEBI focuses on maintaining market integrity and long-term investor confidence.

31. (D) Facilitate dematerialisation and maintain electronic ownership records
Depositories like NSDL and CDSL facilitate the dematerialisation of physical share certificates into electronic form. They maintain secure electronic records of ownership and enable the seamless transfer of securities between investors. By eliminating the need for physical handling of certificates, depositories reduce risks such as theft or loss and ensure the efficient functioning of the secondary market through instantaneous settlements.

32. (B) Both A and R are true but R is not the correct explanation of A.
Mutual funds pool resources from various investors to build a diversified portfolio of securities. Systematic Investment Plans provide a method for retail investors to contribute small, fixed amounts regularly. While both statements are factually correct, the existence of periodic investment plans does not explain why mutual funds use pooled money for diversification. They represent separate concepts within the broader investment framework.

33. (A) P-II, Q-I, R-III, S-IV
The SENSEX is the benchmark index of the Bombay Stock Exchange, consisting of thirty large stocks with a base year of 1978-79. The NIFTY 50 is the flagship index of the National Stock Exchange, tracking fifty stocks with a base year established in 1995. These indices serve as key indicators of the performance of the Indian equity market and economy.

34. (D) Corporate bonds are considered safer and carry lower yield compared to sovereign G-Secs.
Government Securities are sovereign debt instruments issued by the central bank on behalf

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of the government and are considered virtually risk-free. Consequently, they usually carry lower yields than corporate bonds, which involve higher credit risk. The statement suggesting corporate bonds are safer is incorrect. Institutional investors are the primary participants, and the G-Sec yield curve serves as a vital benchmark.

35. (A) IV, I, III, II
The nationalisation of fourteen major banks occurred in 1969, followed by six more in 1980. Significant consolidation took place decades later, with the merger of associate banks into the State Bank of India in 2017. Finally, the mega merger involving the Bank of Baroda, Vijaya Bank, and Dena Bank was implemented in 2019. These events highlight the evolving structure of banking.

36. (C) Merchant Bankers - Manage public issues and advise corporate issuers on regulations
Merchant Bankers play a critical role in the capital market by lead managing public issues such as Initial Public Offerings. They advise corporate issuers on regulatory compliance, pricing, and timing to ensure a successful launch. While stockbrokers execute trades and depositories maintain records, merchant bankers focus on the structural and legal aspects of bringing new securities to the primary market.

37. (A) Provides guaranteed, high-yield fixed returns irrespective of market performance.
Systematic Investment Plans encourage financial discipline and offer the benefit of rupee cost averaging during periods of market volatility. They eliminate the requirement of timing the market. However, they do not provide guaranteed or fixed returns, as mutual fund investments are always subject to market fluctuations. The performance of the underlying assets directly determines the final returns received by the investor.

38. (D) Graphing interest rates across maturities for economic expectations
The yield curve is a graphical representation that plots the interest rates of government securities across different maturity periods. It serves as a vital tool for investors and economists to understand market expectations regarding future interest rate movements and overall economic health. A typical upward-sloping curve suggests expectations of growth, while an inverted curve may signal an impending slowdown or recessionary pressure.

39. (B) Life Insurance Corporation of India
The Life Insurance Corporation of India is the largest institutional investor in the domestic equity market. In 2022, it launched the largest-ever Initial Public Offering in Indian history, marking a significant milestone for the capital markets. As a dominant player in the insurance sector, its investment decisions and market debut carry immense weight for both retail and institutional participants in the economy.

40. (C) The interaction of buyers and sellers continuously determines the fair market value of securities.
In the secondary market, the fair market value of a security is determined through the continuous interaction of buyers and sellers on an exchange. This process of price discovery reflects all available information regarding the company's performance and broader economic conditions. Prices are not set by regulatory bodies but emerge from market forces, providing investors with a transparent benchmark for valuing holdings.

41. (A) I and II only
Dematerialisation is the conversion of physical share certificates into electronic form, which is a mandatory requirement for trading in the secondary market today. While depositories maintain these electronic records, they do not hold physical certificates in vaults while issuing paper receipts; instead, the physical certificates are canceled upon conversion. Therefore, the statements regarding the process and its necessity are accurate.

42. (B) 1875
The Bombay Stock Exchange was established in 1875, making it the oldest stock exchange in Asia. Originally known as The Native Share & Stock Brokers' Association, it has played a foundational role in the development of India's capital markets. Today, it serves as a premier exchange, providing a platform for trading in equities, currencies, debt instruments, derivatives, and mutual fund units.

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43. (D) A is false but R is true.
Non-Banking Financial Companies are strictly prohibited from accepting demand deposits like savings and current accounts, which distinguishes them from traditional commercial banks. However, they play an essential role in promoting financial inclusion by providing credit to unbanked and informal sectors that may lack access to formal banking channels. The assertion is incorrect regarding deposit types, while the reason accurately describes their role.

44. (A) P-III, Q-I, R-IV, S-II
The Pradhan Mantri Jan Dhan Yojana aims for broad financial inclusion by offering zero-balance accounts to low-income citizens. RuPay cards facilitate accessible digital payment settlements, while overdraft facilities provide essential short-term micro-credit. Additionally, the scheme is a primary vehicle for delivering government subsidies directly to beneficiaries through bank accounts. These features collectively work to integrate the unbanked population into the formal economy.

45. (A) I, II and III only
Government Securities are sovereign bonds issued by the central bank on behalf of the state, representing the lowest default risk. In contrast, corporate bonds typically carry higher credit risk and yields. The yield curve provides a snapshot of interest rates across various maturities for these instruments. Retail investors are not banned from purchasing these securities; they can participate through specialized platforms.

46. (D) 1995
The NIFTY 50 index, managed by the National Stock Exchange, uses 1995 as its base year with a base value of one thousand. It tracks the performance of fifty of the largest and most liquid Indian stocks across various sectors of the economy. This index serves as a critical benchmark for fund managers and investors to gauge the overall direction of the market.

47. (A) Establishment of SEBI → SEBI granted statutory status → Enactment of Depositories Act
The Securities and Exchange Board of India was first established in 1988 as a non-statutory body to monitor market activities. It was subsequently granted statutory status through the SEBI Act of 1992. Following these milestones, the Depositories Act was enacted in 1996 to provide a legal framework for dematerialisation and electronic record-keeping. This sequence reflects the progressive strengthening of regulation.

48. (C) Asset Management Company - The entity that pools money and makes investment decisions
An Asset Management Company is the professional entity responsible for pooling money from investors and making informed investment decisions across various securities. Net Asset Value represents the current value per unit rather than a fixed interest rate. While the Association of Mutual Funds in India is an industry body, SEBI remains the statutory regulator. Equity funds focus on stocks rather than short-term bills.

49. (B) Bank-like activities performed by entities outside traditional regulations.
Shadow banking refers to financial activities and services that are similar to traditional banking but are performed by non-bank financial intermediaries. These entities operate outside the strict regulatory framework that governs commercial banks. While they provide essential credit and liquidity to the economy, their lack of traditional oversight can sometimes lead to systemic risks, as seen during major liquidity crises in the past.

50. (A) I, II, III and IV only
Rural cooperative banks typically follow a three-tier structure with State Cooperative Banks at the apex. Urban Cooperative Banks serve metropolitan areas, and NABARD oversees the supervision of the rural segments. These institutions operate based on cooperative principles of mutual help rather than pure profit maximization. The statement suggesting they discard these principles to maximize profits is incorrect and contrary to their core mission.

51. (A) Providing affordable access to financial services for vulnerable groups.
Financial inclusion is primarily focused on ensuring that vulnerable and low-income groups have affordable access to essential financial services. This includes savings accounts, credit, insurance, and payment systems provided by formal institutions. By bringing the unbanked into the formal system, the initiative aims to

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promote equitable economic growth and protect citizens from exploitative practices often found in the informal lending market.

52. (A) Both A and R are true and R is the correct explanation of A.
The National Company Law Tribunal acts as the adjudicating authority for corporate insolvency cases under the Insolvency and Bankruptcy Code. It provides a structured legal framework that ensures the resolution process is conducted in a time-bound and transparent manner. By adjudicating these cases, the tribunal facilitates the efficient recovery of assets and maintains the overall health of the corporate banking sector.

53. (A) P-III, Q-II, R-I, S-IV
The State Bank of India merged with its various associate banks and the Bharatiya Mahila Bank. Bank of Baroda became the anchor for Vijaya Bank and Dena Bank. Punjab National Bank merged with Oriental Bank of Commerce and United Bank of India, while Canara Bank acquired Syndicate Bank. These consolidations were designed to create larger, more efficient banking entities.

54. (D) They face no restrictions regarding branch expansion in rural and urban areas.
Foreign banks in India operate through branches or subsidiaries and must comply with World Trade Organization commitments. They are well-known for introducing advanced technology and global practices to the local market. However, they do not have unrestricted freedom regarding branch expansion; the central bank imposes specific quotas and conditions on their geographic growth to balance competition throughout the national banking landscape.

55. (A) I, II, III, IV
To start a Systematic Investment Plan, an investor first opens a Demat account and completes mandatory KYC requirements. Next, an auto-debit mandate is set up with their bank to automate future payments. This is followed by the periodic deduction of the fixed investment amount from the account. Finally, mutual fund units are allotted to the investor based on the prevailing net asset value.

56. (C) National Company Law Tribunal - Adjudicating authority strictly for individual and partnership insolvency
The National Company Law Tribunal serves as the adjudicating authority for corporate debtors under the Insolvency and Bankruptcy Code, not for individuals or partnerships. Resolution Professionals manage the debtor's operations during the process, and a Committee of Creditors evaluates the resolution plan. If resolution fails, a liquidator is appointed to oversee the sale of assets to repay the outstanding debts to creditors.

57. (D) They are entirely prohibited from accepting any deposits from the public.
Small Finance Banks are permitted to accept various types of deposits from the public, including savings and current accounts. They are required to direct seventy-five percent of their credit to the priority sector and ensure half of their portfolio consists of smaller loans. These banks focus on serving micro industries and unserved sections, providing them with essential banking services and deposits.

58. (A) Buying more units when prices are low and fewer when high.
Rupee cost averaging is a significant benefit for retail investors using Systematic Investment Plans. By investing a fixed amount regularly, the investor automatically purchases more mutual fund units when market prices are low and fewer units when prices are high. Over the long term, this strategy lowers the average cost per unit and reduces the impact of short-term market volatility.

59. (B) Aadhaar enabled Payment System (AePS)
The Aadhaar-enabled Payment System allows bank customers to perform basic financial transactions through microATMs using their Aadhaar number and biometric authentication. This feature is instrumental in providing banking services to rural populations where physical branch access is limited. It enables cash withdrawals, deposits, and fund transfers at the doorstep through business correspondents, thereby advancing the goal of national financial inclusion.

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60. (B) The credit creation capacity of commercial banks will proportionally decrease.
If the central bank sharply increases the cash reserve ratio, commercial banks must hold a larger portion of their deposits as reserves. This reduction in available lendable funds directly decreases their capacity for credit creation. Consequently, the money multiplier effect is weakened, leading to a contraction in the overall money supply. This tool is often used by regulators to manage liquidity.

61. (A) I and II only
A Follow-on Public Offering is conducted by a company that is already listed on an exchange to raise additional capital. A Rights Issue is an invitation extended only to existing shareholders to purchase new shares. Initial Public Offerings are not restricted to government entities; private companies also use them to go public. Therefore, the statements defining FPOs and Rights Issues are accurate.

62. (B) 1978-79
The BSE SENSEX uses the fiscal year 1978-79 as its base period for calculation. It is a free-float market-weighted index that tracks thirty well-established and financially sound companies listed on the Bombay Stock Exchange. As a benchmark, it provides a pulse of the Indian stock market, reflecting the collective investment sentiment and the performance of major industrial and financial sectors.

63. (C) A is true but R is false.
The Reserve Bank of India regularly conducts auctions to issue government securities to institutional investors in the primary market. These instruments are backed by the sovereign guarantee of the government and are considered the safest debt instruments available, with virtually zero probability of default. The assertion correctly describes the issuance process, but the reason is false as it inaccurately labels securities.

64. (A) P-II, Q-I, R-IV, S-III
The Aadhaar-enabled Payment System provides biometric-enabled transactions, while the Business Correspondent model uses local agents for last-mile banking. The Pradhan Mantri Jan Dhan Yojana offers zero-balance accounts with overdraft facilities to the unbanked. Microfinance typically utilizes the linkage of Joint Liability Groups to extend credit. Together, these initiatives form a comprehensive framework to ensure financial services reach every citizen.

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65. (A) I, II and III only
Joint Liability Groups involve members providing mutual guarantees for individual loans, which significantly reduces the need for physical collateral in microfinance. The Reserve Bank of India regulates these entities to protect clients and ensure fair interest rates. These groups are designed to serve low-income individuals and small entrepreneurs rather than large corporations. Thus, the statements regarding guarantees and regulation are correct.

66. (D) Life Insurance Corporation of India (LIC)
The Life Insurance Corporation of India manages the largest volume of assets under management in the national insurance sector. As a massive institutional investor, its activities significantly influence the Indian capital markets. LIC provides various life insurance products while simultaneously channeling domestic savings into long-term investments like government securities and corporate equities, playing a vital role in the country's development.

67. (A) Primary deposits received → Cash reserves kept aside → Excess reserves lent out → Loans redeposited as secondary deposits
The credit creation process begins when a bank receives primary deposits from customers. A portion of these funds is kept as mandatory cash reserves, while the excess reserves are lent out to borrowers. These loans are subsequently redeposited into the banking system as secondary deposits, allowing the cycle to repeat. This continuous process expands the total money supply beyond the initial amount.

68. (C) Merchant Bankers - Lead manage public issues and ensure regulatory compliance
Merchant Bankers are essential intermediaries who lead manage the process of public share issues for companies. They ensure that all regulatory requirements set by the Securities and Exchange Board are met before a company enters the primary market. Unlike stockbrokers who execute individual trades or auditors who

verify financials, merchant bankers focus on the advisory and structural aspects of raising capital.

69. (A) Gross NPA minus the provisioning made by the bank
Net Non-Performing Assets are a key indicator of a bank's asset quality and financial health. This figure is calculated by subtracting the specific provisions made against bad loans from the total Gross NPA amount. While Gross NPA represents the total value of defaulted loans, Net NPA shows the actual loss potential after accounting for the funds already set aside.

70. (A) I, II, III and IV only
The National Bank for Financing Infrastructure and Development was established in 2021 as a specialized All India Financial Institution. Its primary mission is to support long-term, non-recourse infrastructure financing for national projects. While it is strictly regulated, its focus is on industrial and infrastructure development rather than retail consumption lending for individuals. Therefore, the first four statements are correct.

71. (B) Lending to a borrower solely to pay off an existing defaulting loan
Evergreening of loans refers to the practice where a bank provides a fresh loan to a struggling borrower specifically to help them repay an existing loan that is about to default. This tactic is used to prevent the loan from being classified as a non-performing asset on the bank's balance sheet. Regulators discourage this practice as it masks bad debt.

72. (B) Both A and R are true but R is not the correct explanation of A.
Debt Recovery Tribunals were established to provide a specialized judicial forum for banks to recover bad loans. Separately, the SARFAESI Act of 2002 granted banks the power to auction secured assets directly without court intervention. While both aim to assist in debt recovery, the enactment of the SARFAESI Act does not explain why the tribunals were originally formed.

73. (A) P-II, Q-IV, R-I, S-III
Tier I capital includes core equity and disclosed reserves, while Tier II capital consists of supplementary items like subordinated debt. Basel norms provide the international regulatory framework for assessing banking risk and capital. The Capital Adequacy Ratio is the specific requirement that banks maintain a minimum level of capital against risk-weighted assets. Together these ensure that financial institutions remain solvent.

74. (A) It strictly imposes no restrictions on the declaration of dividends by the affected bank.
The Prompt Corrective Action framework is an intervention tool used by the Reserve Bank to rehabilitate weak banks. It is triggered by breaches in capital, asset quality, or profitability. One of the primary mandatory restrictions under PCA is the limitation on the declaration of dividends to conserve capital. The statement suggesting there are no restrictions on dividends is incorrect and non-factual.

75. (A) IV, II, I, III
The Imperial Bank of India was established in 1921, long before the nationalisation of fourteen major banks in 1969. New generation private sector banks began to emerge following the 1991 economic reforms. Finally, the mega consolidation of various public sector banks into fewer, larger entities is a recent development from the late 2010s. This timeline shows the major banking shifts.

76. (B) MSMEs - Included as a core category under PSL targets
Priority Sector Lending targets mandate that banks direct a portion of their credit to essential sectors like agriculture and Micro, Small, and Medium Enterprises. These sectors are included because they are critical for employment and economic growth but often lack sufficient access to formal credit. Other categories like export credit and renewable energy also qualify for PSL targets under current guidelines.

77. (A) Fixed Deposit with a maturity of 5 years
Demand deposits are funds that can be withdrawn by the customer at any time without prior notice, such as savings and current account balances. In contrast, a fixed deposit with a five-year maturity is a time deposit, where funds are committed for a specific period to earn higher interest. While they can be withdrawn prematurely with a penalty, they are distinct.

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78. (C) Bank credit creation falls, decreasing the total money supply.
If the public decides to hold more cash instead of depositing it in banks, the amount of reserves available for lending decreases. Since banks have fewer deposits to use as a base for credit creation, the money multiplier process is restricted. This leads to a decline in the overall money supply in the economy, as bank credit is a major component.

79. (D) Opening of bank accounts with a zero balance requirement
The zero-balance requirement is a cornerstone of the Pradhan Mantri Jan Dhan Yojana, allowing the unbanked poor to open accounts without any initial deposit. This feature removed the primary financial barrier to entering the formal banking system for millions of citizens. By providing access to safe savings and electronic payments, the scheme has successfully integrated a significant portion of the population.

80. (C) Creating globally competitive banks through economies of scale.
The primary strategic objective of the mega mergers of public sector banks is to create larger, financially stronger entities capable of competing on a global scale. These mergers aim to achieve economies of scale, improve operational efficiency, and enhance lending capacity. By consolidating resources and technology, the government intends to build robust banks that can support the country's credit needs.

81. (A) I and II only
The Insurance Regulatory and Development Authority of India is the statutory body responsible for regulating both the life and non-life insurance industries. It issues operating licenses to insurance companies and focuses on protecting the interests of policyholders. However, it does not manage the operations of the Bombay Stock Exchange, which is a separate entity regulated by the securities market regulator.

82. (D) Scheduled Commercial Banks
Regional Rural Banks are unique financial institutions that function under the sponsorship of scheduled commercial banks. Each RRB is sponsored by a specific commercial bank which provides managerial and technical assistance. The ownership of these banks is shared between the Central Government, the State Government, and the sponsor bank in a fixed ratio, ensuring they effectively meet rural credit needs.

83. (D) A is false but R is true.
Payment banks are strictly prohibited from providing loans or issuing credit cards to customers, making the assertion about a lending limit false. They were established with the primary objective of expanding financial inclusion by offering basic savings and remittance services to underserved populations. While they can accept limited deposits and provide payment services, they cannot engage in traditional credit-linked banking.

84. (A) P-II, Q-I, R-IV, S-III
The Narasimham Committee focused on broad financial and banking structure reforms, while the SARFAESI Act enabled NPA resolution without court intervention. The Insolvency and Bankruptcy Code introduced a time-bound process for corporate insolvency. Finally, the Basel Committee is responsible for developing global capital adequacy norms for banks. These reforms collectively represent the evolution of the legal framework governing financial institutions.

85. (A) I, II and III only
A Demat account is essential because it eliminates the physical risks of theft and forgery associated with paper shares. It facilitates the immediate electronic transfer of securities and enables efficient, paperless trading in the secondary market. Rather than preventing participation, it is actually a mandatory requirement for investors to apply for Initial Public Offerings and for subsequent trading on exchanges.

86. (C) 1992
Although the Securities and Exchange Board of India was established in 1988, it was granted statutory status in 1992 through the SEBI Act. This legislation empowered SEBI with legal authority to regulate the securities market, protect investors, and promote exchange development. This transition was a critical part of economic liberalisation, ensuring more robust oversight of financial market participants and practices.

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CHAPTER 21

Poverty Alleviation and Social Security Schemes in India

1. Which of the following best defines the "trickle-down" approach in the context of poverty alleviation strategies?
(A) Economic growth benefits the poor over time
(B) Transfer of financial resources to the poorest households through direct grants
(C) Implementation of universal basic income for every citizen in the country
(D) Provision of subsidised food grains through the Public Distribution System
(E) Answer not known

2. The Community Development Programme, launched as an early poverty alleviation intervention focusing on village development, was introduced in which year?
(A) 1947
(B) 1950
(C) 1952
(D) 1965
(E) Answer not known

3. Consider the following statements regarding the Integrated Rural Development Programme (IRDP):
I. It focused on self-employment and subsidy credit.
II. Its assessment revealed challenges such as leakages and wrong beneficiaries.
III. It successfully eliminated the debt trap for all its beneficiaries.
Which of the above statement(s) is/are correct?
(A) I and II
(B) I only
(C) II and III
(D) III only
(E) Answer not known

4. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The slogan "Garibi Hatao" was heavily used for political mobilisation during the 1971 elections.
Reason (R): It represented a programmatic shift towards direct intervention in poverty alleviation.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

5. Match the following programmes with their core features:
List I: Programmes
P. Twenty Point Programme
Q. SECC 2011
R. National Food Security Act 2013
S. Antyodaya Anna Yojana
List II: Features
I. Provides 35 kg of grain to the poorest of the poor
II. Includes automatic exclusion and deprivation criteria
III. Provides a multiple intervention framework for poverty alleviation
IV. Legally guarantees 5 kg grain to priority households
(A) P-III, Q-II, R-IV, S-I
(B) P-II, Q-III, R-I, S-IV
(C) P-III, Q-I, R-IV, S-II
(D) P-IV, Q-II, R-I, S-III
(E) Answer not known

6. Which of the following sequences represents the correct historical evolution of poverty alleviation strategies in India?

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to provide slightly different perspectives on the performance and volatility of the equity market.

96. (C) Investors - Provided protection and education by SEBI mandates
The Securities and Exchange Board of India has a primary mandate to protect the interests of investors in the capital market through education and fair practice guidelines. Market intermediaries must obtain mandatory registration with SEBI to operate legally, and foreign institutional investors are also regulated under its ambit. By maintaining transparency, SEBI ensures that the market remains a safe environment.

97. (B) Microfinance Joint Liability Groups
The Government Securities market is dominated by large institutional investors such as commercial banks, the Life Insurance Corporation of India, and various provident and pension funds. These entities use G-Secs for long-term investment and to meet regulatory requirements like the Statutory Liquidity Ratio. Microfinance Joint Liability Groups, focusing on small-scale lending to low-income individuals, are not typically participants here.

98. (B) Banks increase lending rates, making credit expensive for borrowers.
If the Reserve Bank of India increases the Bank Rate and Repo Rate, the cost of borrowing for commercial banks from the central bank rises. To maintain their margins, commercial banks consequently increase their own lending rates for corporate and retail customers. This makes credit more expensive for borrowers, which generally leads to a slowdown in credit demand across the national economy.

99. (A) Collecting premium payments and utility bills for customers.
Agency functions of a commercial bank involve performing specific services as an agent for the customer. This includes collecting premium payments, utility bills, and dividends, as well as executing standing instructions for payments. These are secondary services distinct from primary functions like lending. By handling these administrative tasks, banks provide convenience to their clients while earning fee-based income for the institution.

100. (C) Mobilizing idle savings into productive long-term national investments.
The capital market plays a vital role in economic development by mobilizing idle domestic savings and channeling them into productive long-term investments. By providing a platform for companies and the government to raise capital, it facilitates industrial growth and infrastructure projects. This process of capital formation is essential for sustainable development, as it ensures that resources are allocated efficiently to productive sectors.

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87. (A) Calculate total market value of assets → Subtract liabilities → Divide by total number of outstanding units
To determine the daily Net Asset Value of a mutual fund, the total market value of all assets in the portfolio is first calculated. From this total, any outstanding liabilities and expenses are subtracted to find the net assets. Finally, this net figure is divided by the total number of outstanding units to arrive at the current value per unit for transactions.

88. (C) Debentures - Debt instruments usually issued without physical collateral
Debentures are long-term debt instruments used by companies to raise capital, typically issued based on the general creditworthiness of the issuer rather than specific physical collateral. In contrast, equity shares represent ownership stakes, while corporate bonds are debt obligations. Government securities are sovereign instruments and are considered to have the lowest default risk, contrary to being highly volatile or risky.

89. (D) Providing affordable access to financial services for vulnerable groups.
According to the standard definitions adopted by the Reserve Bank of India, financial inclusion aims to ensure that vulnerable groups have affordable access to a range of financial services. This encompasses the provision of savings, credit, insurance, and payment facilities from formal institutions. The goal is to integrate the unbanked population into the formal economy, fostering sustainable and equitable development.

90. (A) I, II, III and IV only
Systematic Investment Plans have greatly increased retail participation in mutual funds, which are represented by the industry body AMFI. All such investments are subject to market risks, and the Net Asset Value fluctuates based on the performance of underlying assets. The regulator does not provide any guarantee against capital loss, as investors must bear the inherent risks of the market.

91. (B) Leveraging PMJDY and Aadhaar to transfer subsidies to bank accounts.
Direct Benefit Transfer is a mechanism that leverages the Pradhan Mantri Jan Dhan Yojana and Aadhaar to transfer government subsidies directly into the bank accounts of beneficiaries. This system eliminates intermediaries, reduces leakages, and ensures that financial aid reaches the intended recipients efficiently. It is a vital component of the digital and financial inclusion strategy, covering various welfare and subsidy schemes.

92. (B) Both A and R are true but R is not the correct explanation of A.
Non-scheduled banks have a very limited and declining role in the modern financial system due to their localized operations. Separately, scheduled banks are those included in the Second Schedule of the Reserve Bank of India Act, 1934. While both statements are factually accurate, the legal definition of a scheduled bank does not explain the declining significance of non-scheduled banks today.

93. (A) P-I, Q-II, R-III, S-IV
The IL and FS crisis in 2018 triggered a massive credit squeeze throughout the NBFC sector. Shadow banking involves bank-like activities performed outside strict traditional regulations, which are now being tightened by the central bank. Liquidity stress often arises when these entities are unable to roll over short-term commercial papers. These aspects highlight the systemic risks associated with the non-banking sector.

94. (C) Urban Cooperative Banks are exempt from all forms of RBI supervision and regulation.
Commercial banks are primarily regulated by the Reserve Bank, while cooperative banks operate on principles of mutual help. However, Urban Cooperative Banks are not exempt from regulation; they are subject to various forms of supervision by both the central bank and state registrars. Recent legal amendments have further strengthened the Reserve Bank's powers over these institutions to ensure depositor protection.

95. (B) II, I
When arranged in ascending order by the number of constituent stocks, the BSE SENSEX comes first as it tracks thirty stocks. The NIFTY 50 follows next, as it tracks fifty stocks from various sectors of the economy. This difference in the number of constituents allows the indices

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(A) Targetted Programmes → Trickle-down approach → Rights-based approach
(B) Rights-based approach → Trickle-down approach → Targetted Programmes
(C) Trickle-down approach → Targetted Programmes → Rights-based approach
(D) Targetted Programmes → Rights-based approach → Trickle-down approach
(E) Answer not known

7. Arrange the following interventions in the chronological order of their inception:
I. Community Development Programme
II. National Food Security Act
III. SECC (Socio-Economic and Caste Census)
IV. Garibi Hatao Slogan
(A) I, II, III, IV
(B) I, IV, III, II
(C) IV, I, II, III
(D) I, IV, II, III
(E) Answer not known

8. Which of the following pairs regarding the Pradhan Mantri Mudra Yojana categories is incorrectly matched?
(A) Mahila : Credit category for women artisans
(B) Shishu : Micro enterprise credit for the lowest loan limit
(C) Kishore : Micro enterprise credit for the middle loan limit
(D) Tarun : Micro enterprise credit for the highest loan limit
(E) Answer not known

9. Consider the following statements regarding the National Food Security Act (NFSA) 2013:
I. It legally entitles 75 percent of the rural population to subsidised grains.
II. It legally entitles 50 percent of the urban population to subsidised grains.
III. Priority households are entitled to 35 kg of grain per month.
IV. It represents a rights-based approach to food security.
Which of the above statement(s) is/are correct?
(A) I, II and IV
(B) I and II
(C) II, III and IV
(D) III and IV
(E) Answer not known

10. The PM Garib Kalyan Anna Yojana (PMGKAY), which provided free grain during the COVID pandemic, was extended up to which month before its merger with NFSA?
(A) March 2022
(B) December 2022
(C) December 2023
(D) January 2024
(E) Answer not known

11. Consider the following statements regarding the Public Distribution System (PDS) reforms and Direct Benefit Transfer (DBT):
I. PDS reforms include end-to-end computerisation.
II. Biometric authentication is a key feature of modern PDS.
III. DBT involves the direct transfer of subsidies to Aadhaar-linked bank accounts.
IV. The JAM Trinity provides the infrastructure for DBT.
V. DBT has resulted in increased inclusion errors and leakage.
Which of the above statement(s) is/are correct?
(A) I, II, III and IV
(B) I, II and III
(C) II, III, IV and V
(D) III, IV and V
(E) Answer not known

12. Which of the following is a correct statement regarding the merger of PMGKAY with NFSA?
(A) The merger mandates that all beneficiaries pay market prices for surplus grains
(B) It abolished the Antyodaya Anna Yojana category entirely across the country
(C) Free grains for all NFSA beneficiaries from January 2024
(D) Priority households now receive a flat 35 kg of grain per individual
(E) Answer not known

13. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The One Nation One Ration Card (ONORC) scheme greatly benefits migrant workers.
Reason (R): It allows the portability of food security entitlements across the country using

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27. Consider the following statements regarding the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):
I. It is an example of a rights-based approach to poverty alleviation.
II. It guarantees legal entitlements to employment.
III. It facilitates convergence with schemes like PMAY Gramin for labour.
IV. It was historically replaced by the IRDP.
V. It operates independently without any link to asset creation.
Which of the above statement(s) is/are correct?
(A) I, II, III and IV
(B) I, II and III
(C) II, III, IV and V
(D) III, IV and V
(E) Answer not known

28. Which among the following is the most appropriate description of financial inclusion as a tool for poverty alleviation?
(A) Restricting credit access to large corporations
(B) Mandating every citizen to invest in share markets
(C) Providing basic banking and credit services for vulnerable groups
(D) Replacing all physical currency with digital tokens across all sectors
(E) Answer not known

29. The concept of identifying the "ultra-poor" and providing them with a productive asset, coupled with intensive training, is formally known as:
(A) Trickle-down effect
(B) In-situ redevelopment
(C) Credit linked subsidy
(D) Graduation approach
(E) Answer not known

30. Which of the following is a key example of placement-linked skill training under the poverty alleviation framework?
(A) PM-JAY
(B) NFSA
(C) DDU-GKY
(D) PMGKAY
(E) Answer not known

31. Consider the following statements regarding the National Social Assistance Programme (NSAP) reform:
I. It includes increased pension amounts.
II. It incorporates DBT payments and Aadhaar seeding.
III. It has shifted entirely to providing physical food grains instead of cash.
Which of the above statement(s) is/are correct?
(A) I and II
(B) I only
(C) II and III
(D) III only
(E) Answer not known

32. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The Ayushman Bharat PM-JAY scheme provides financial risk protection for the poor.
Reason (R): It offers a health coverage of 5 lakh per family per year and includes private hospital empanelment.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

33. Match the following concepts with their appropriate descriptions in the context of poverty targeting:
List I: Concepts
P. Inclusion error
Q. Exclusion error
R. BPL Census
S. DBT Mission
List II: Descriptions
I. Wrong beneficiaries are included in a scheme
II. Deserving beneficiaries are left out of a scheme
III. Early method used for poverty measurement and targeting
IV. Nodal agency overseeing subsidy transfers and leakage savings
(A) P-I, Q-II, R-III, S-IV

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(B) Reduction in leakage savings
(C) Cash transfers directly to the beneficiary's bank account
(D) Bypassing the nodal agency for all schemes
(E) Answer not known

21. Consider the following statements regarding the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM):
I. It promotes Self Help Groups (SHGs).
II. It focuses strictly on urban employment.
III. It incorporates bank linkage and skill training.
IV. It implements the graduation approach for the ultra-poor.
Which of the above statement(s) is/are correct?
(A) I, III and IV
(B) I and II
(C) II, III and IV
(D) I and IV
(E) Answer not known

22. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The Graduation Approach is highly effective for the ultra-poor.
Reason (R): It combines asset transfer, rigorous training, and livelihood diversification tailored to vulnerable groups.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

23. Match the following skill and pension schemes with their respective attributes:
List I: Schemes
P. PMKVY
Q. DDU-GKY
R. NSAP
S. SFURTI
List II: Attributes
I. Cluster development for traditional industries
II. Placement-linked skill training for rural youth
III. Broad skill development and certification
IV. Social pension programmes with DBT payment
(A) P-III, Q-II, R-IV, S-I
(B) P-II, Q-III, R-I, S-IV
(C) P-IV, Q-I, R-III, S-II
(D) P-III, Q-II, R-I, S-IV
(E) Answer not known

24. Which of the following pairs regarding health and education schemes is correctly matched?
(A) Eklavya Model Residential Schools : Quality education for tribal children
(B) PM-JAY : Exclusively for primary school scholarships
(C) Babu Jagjivan Ram Chhatrawas Yojana : Healthcare infrastructure development
(D) Rashtriya Swasthya Bima Yojana : Post-matric scholarship for minority students
(E) Answer not known

25. Select the correct sequence of beneficiary progression under the Stand-Up India scheme:
(A) SC/ST or Women Entrepreneur → Bank Branch Application → Loan of 10 lakh to 1 crore → Enterprise Setup
(B) Loan of 10 lakh to 1 crore → SC/ST or Women Entrepreneur → Enterprise Setup → Bank Branch Application
(C) Enterprise Setup → Bank Branch Application → SC/ST or Women Entrepreneur → Loan of 10 lakh to 1 crore
(D) Bank Branch Application → Enterprise Setup → Loan of 10 lakh to 1 crore → SC/ST or Women Entrepreneur
(E) Answer not known

26. Arrange the following loan categories under the Pradhan Mantri Mudra Yojana in increasing order of their credit limits:
I. Tarun
II. Shishu
III. Kishore
(A) I, II, III
(B) II, III, I
(C) III, II, I
(D) II, I, III
(E) Answer not known

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(C) II, III, IV and V
(D) III, IV and V
(E) Answer not known

42. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The SECC 2011 dataset was heavily relied upon for beneficiary identification in programmes like PMAY and PM-JAY.
Reason (R): It provided detailed data on deprivation criteria and automatic exclusion, replacing the flawed BPL census.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

43. Match the following educational initiatives with their core focus areas:
List I: Initiatives
P. Eklavya Model Residential Schools
Q. Pre-matric scholarships
R. Post-matric scholarships
S. Babu Jagjivan Ram Chhatrawas Yojana
List II: Focus Areas
I. Hostels for SC students
II. Higher education support for SC/ST/OBC/ minority students
III. Foundational education support for SC/ST/ OBC/minority students
IV. Quality education for tribal children
(A) P-IV, Q-III, R-II, S-I
(B) P-I, Q-II, R-III, S-IV
(C) P-IV, Q-II, R-III, S-I
(D) P-III, Q-I, R-IV, S-II
(E) Answer not known

44. Which of the following pairs regarding scheme convergence is correctly matched?
(A) PMKVY : Convergence with PDS food grain distribution
(B) NFSA : Convergence with PM-JAY hospital empanelment
(C) PMAY Gramin : Convergence with MGNREGA labour
(D) SFURTI : Convergence with Eklavya Model Residential Schools
(E) Answer not known

45. Select the option that best describes the correct sequence of credit facilitation for micro-enterprises under PM Mudra Yojana based on enterprise growth:
(A) Kishore → Tarun → Shishu
(B) Tarun → Kishore → Shishu
(C) Shishu → Kishore → Tarun
(D) Shishu → Tarun → Kishore
(E) Answer not known

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46. Arrange the following structural approaches to poverty alleviation in India in the order of their historical dominance:
I. Growth versus redistribution (trickle-down)
II. Rights-based legal entitlements (MGNREGA, NFSA)
III. Early direct interventions (CDP, IRDP)
(A) I, III, II
(B) III, I, II
(C) I, II, III
(D) II, III, I
(E) Answer not known

47. Consider the following statements regarding the SFURTI scheme:
I. It stands for Scheme of Fund for Regeneration of Traditional Industries.
II. It focuses on cluster development.
III. It aims to completely replace large-scale urban manufacturing.
Which of the above statement(s) is/are correct?
(A) I and II
(B) I only
(C) II and III
(D) III only
(E) Answer not known

48. Which of the following is a correct statement regarding PMAY Urban?
(A) It strictly provides housing only in rural panchayats
(B) It does not provide any credit-linked subsidies for citizens
(C) Beneficiaries are selected purely through a lottery system regardless of their socio-economic category
(D) It includes in-situ slum redevelopment
(E) Answer not known

(B) P-II, Q-I, R-IV, S-III
(C) P-III, Q-IV, R-I, S-II
(D) P-I, Q-III, R-II, S-IV
(E) Answer not known

34. Which of the following pairs regarding earlier poverty alleviation programmes is incorrectly matched?
(A) Rashtriya Swasthya Bima Yojana : Health insurance for BPL
(B) Garibi Hatao : Political mobilisation slogan in 1971
(C) IRDP : Universal basic income for all citizens
(D) Community Development Programme : Village development at the Block level administration
(E) Answer not known

35. Select the correct sequence of PDS reforms implementation meant to ensure food security:
(A) Biometric Authentication → End-to-end computerisation → Issue of ration grains
(B) End-to-end computerisation → Biometric Authentication → Issue of ration grains
(C) Issue of ration grains → End-to-end computerisation → Biometric Authentication
(D) End-to-end computerisation → Issue of ration grains → Biometric Authentication
(E) Answer not known

36. Arrange the following components of the PM-JAY implementation process in chronological order:
I. Beneficiary identification
II. E-card generation
III. Hospital empanelment
IV. Provision of 5 lakh per year treatment
(A) I, II, III, IV
(B) III, I, II, IV
(C) I, III, II, IV
(D) III, II, I, IV
(E) Answer not known

37. Consider the following statements regarding the Babu Jagjivan Ram Chhatrawas Yojana:
I. It involves the construction of hostels.
II. It is specifically targeted at providing seats for SC students.
III. It aims to support education as a means of poverty alleviation.
IV. It is entirely funded by private corporate social responsibility (CSR).
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) I and II
(C) II, III and IV
(D) I and IV
(E) Answer not known

38. In the context of poverty measurement, a "governance failure" that results in affluent individuals receiving BPL benefits is termed as:
(A) Automatic exclusion from certain welfare benefits
(B) Deprivation criteria used in beneficiary selection
(C) Inclusion error
(D) Exclusion error in distribution of subsidies
(E) Answer not known

39. Stand-Up India, aiming at entrepreneurship among SC, ST, and women, provides bank loans within the range of:
(A) 50 thousand to 5 lakh
(B) 1 lakh to 10 lakh
(C) 10 lakh to 1 crore
(D) 1 crore to 5 crore
(E) Answer not known

40. According to the NFSA 2013 guidelines, the Antyodaya Anna Yojana (AAY) provides how many kilograms of food grains per household per month at highly subsidised rates?
(A) 5 kg
(B) 15 kg
(C) 25 kg
(D) 35 kg
(E) Answer not known

41. Consider the following acts/schemes:
I. MGNREGA
II. National Food Security Act (NFSA)
III. Right to Education (RTE)
IV. Direct Benefit Transfer (DBT) Mission
V. Pradhan Mantri Mudra Yojana
Which among the above primarily represent legal entitlements under the rights-based approach to poverty alleviation?
(A) I, II, III and IV
(B) I, II and III

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(C) II, III, IV and V
(D) I, IV and V
(E) Answer not known

72. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The One Nation One Ration Card (ONORC) scheme ensures food security for migrant workers.
Reason (R): It allows beneficiaries to claim their NFSA grain entitlements from any fair price shop in the country.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

73. Match the following poverty alleviation schemes with their full forms:
List I: Abbreviations
P. DAY-NRLM
Q. PMEGP
R. SFURTI
S. PM-JAY
List II: Full Forms
I. Scheme of Fund for Regeneration of Traditional Industries
II. Pradhan Mantri Jan Arogya Yojana
III. Prime Minister's Employment Generation Programme
IV. Deendayal Antyodaya Yojana-National Rural Livelihoods Mission
(A) P-IV, Q-III, R-I, S-II
(B) P-I, Q-II, R-III, S-IV
(C) P-IV, Q-I, R-III, S-II
(D) P-III, Q-IV, R-II, S-I
(E) Answer not known

74. Which of the following pairs regarding the SECC 2011 is incorrectly matched?
(A) Automatic exclusion : Criteria to remove households that clearly do not need assistance
(B) Universal coverage : Ensured every citizen received equal cash transfers regardless of income
(C) Deprivation criteria : Parameters used to identify the level of poverty for inclusion
(D) Caste data : Collected to understand the socio-economic status of different communities
(E) Answer not known

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75. The DBT Mission acts as the nodal agency to oversee Direct Benefit Transfers. Which of the following best describes its core operational mechanism?
(A) Direct funds transfer to Aadhaar-linked accounts
(B) Distributing physical cash through various local village panchayat offices
(C) Providing food grains via Fair Price Shops throughout the entire country
(D) Offering tax exemptions to large corporations operating in rural areas
(E) Answer not known

76. In the context of the DAY-NRLM Graduation Approach, the provision of livestock or machinery to the ultra-poor is an example of:
(A) Trickle-down mechanism
(B) Credit linked subsidy
(C) Asset transfer
(D) Placement-linked training
(E) Answer not known

77. The early method of poverty measurement for targeting, which faced severe identification challenges prior to the SECC, was known as:
(A) JAM Trinity
(B) Antyodaya Assessment
(C) Garibi Hatao Survey
(D) BPL Census
(E) Answer not known

78. The Community Development Programme (1952) focused its village development administration primarily at which level?
(A) State level
(B) District level
(C) Block level
(D) National level
(E) Answer not known

79. Under the Antyodaya Anna Yojana, what is the exact quantum of highly subsidised food grain provided to the poorest of poor families?

49. Which of the following is an incorrect statement regarding PM-JAY?
(A) Beneficiaries are identified based on income tax returns
(B) It aims to cover approximately 12 crore families throughout the nation
(C) It involves robust fraud control mechanisms to ensure transparency
(D) It replaced the Rashtriya Swasthya Bima Yojana (RSBY)
(E) Answer not known

50. Which of the following interventions is NOT considered a part of the structural livelihood programmes for poverty alleviation?
(A) MGNREGA
(B) DAY-NRLM
(C) Eklavya Model Residential Schools
(D) PMEGP
(E) Answer not known

51. Consider the following statements regarding the JAM Trinity:
I. It integrates Jan Dhan, Aadhaar, and Mobile.
II. It forms the core infrastructure for DBT.
III. It aims at enhancing financial inclusion.
IV. It bypasses the need for bank accounts.
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) I and II
(C) II, III and IV
(D) I and IV
(E) Answer not known

52. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Social harmony and reducing caste discrimination are essential components of sustainable poverty reduction.
Reason (R): Structural exclusions based on caste have historically marginalized communities, requiring reservations and inclusive policies.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

53. Match the following schemes with the type of vulnerability they primarily address:
List I: Schemes
P. NSAP
Q. EMRS
R. Stand-Up India
S. PMAY Gramin
List II: Vulnerabilities
I. Lack of housing in rural areas
II. Educational deficit among tribal children
III. Lack of financial support for the elderly/ widows
IV. Credit barriers for SC/ST/Women entrepreneurs
(A) P-III, Q-II, R-IV, S-I
(B) P-II, Q-III, R-I, S-IV
(C) P-III, Q-I, R-IV, S-II
(D) P-I, Q-IV, R-II, S-III
(E) Answer not known

54. Which of the following pairs concerning food security is incorrectly matched?
(A) Antyodaya Anna Yojana : 35 kg of grain per month
(B) Priority Households : 5 kg of grain per person per month
(C) PM Garib Kalyan Anna Yojana : Commercial sale of buffer stocks
(D) NFSA Rural coverage : 75 percent of the rural population
(E) Answer not known

55. In the context of the growth versus redistribution debate, which of the following best describes "direct intervention"?
(A) Waiting for industrial growth to create jobs naturally
(B) Abolishing all forms of state-sponsored subsidies for citizens
(C) Relying solely on the private sector for rural development activities
(D) Targeted programmes like IRDP and MGNREGA
(E) Answer not known

56. What is the primary negative consequence of an "exclusion error" in poverty alleviation programmes?
(A) Deserving beneficiaries are deprived of entitlements
(B) Excessive financial burden on the central

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government treasury
(C) The scheme achieves 100% saturation rapidly across the states
(D) Affluent individuals monopolise the scheme benefits intended for the poor
(E) Answer not known

57. Consider the following statements regarding the Integrated Rural Development Programme (IRDP):
I. It was designed to provide self-employment.
II. Beneficiaries often fell into a debt trap due to poorly viable assets.
III. It suffered from leakages and wrong beneficiary selection.
IV. It has been retained exactly in its original form to this day.
V. It provided subsidy credit to rural families.
Which of the above statement(s) is/are correct?
(A) I, II, III and V
(B) I, II, III and IV
(C) II, III, IV and V
(D) I, IV and V
(E) Answer not known

58. Which of the following is a classic example of a "rights-based approach" substituting earlier welfare-based approaches?
(A) Community Development Programme 1952
(B) Mahatma Gandhi National Rural Employment Guarantee Act
(C) Twenty Point Programme
(D) Integrated Rural Development Programme
(E) Answer not known

59. The term "Antyodaya" in the context of Indian poverty alleviation schemes literally and practically refers to:
(A) Uplifting the poorest of the poor
(B) Rapid industrialisation of heavy machinery
(C) Direct foreign investment in the agricultural sector
(D) Universal basic income for all citizens in the nation
(E) Answer not known

60. How many kilograms of food grains are Priority Households entitled to under the National Food Security Act 2013?
(A) 2 kg per person per month
(B) 5 kg per person per month
(C) 15 kg per household per month
(D) 35 kg per household per month
(E) Answer not known

61. Consider the following statements comparing health schemes:
I. RSBY provided earlier health insurance for BPL families.
II. PM-JAY replaced RSBY.
III. PM-JAY offers financial risk protection up to 50 lakh per year.
Which of the above statement(s) is/are correct?
(A) I and II
(B) I only
(C) II and III
(D) III only
(E) Answer not known

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62. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The Direct Benefit Transfer (DBT) Mission has led to significant leakage savings.
Reason (R): It directly links subsidies to Aadhaar-seeded bank accounts, eliminating ghost beneficiaries and middlemen.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

63. Match the Pradhan Mantri Mudra Yojana categories with their correct descriptions:
List I: Categories
P. Shishu
Q. Kishore
R. Tarun
S. Mudra nodal objective
List II: Descriptions
I. Loans above 5 lakh and up to 10 lakh
II. Loans up to 50,000
III. Loans above 50,000 and up to 5 lakh
IV. Micro enterprise credit
(A) P-II, Q-III, R-I, S-IV
(B) P-III, Q-II, R-IV, S-I
(C) P-I, Q-IV, R-II, S-III

(D) P-II, Q-I, R-III, S-IV
(E) Answer not known

64. Which of the following pairs regarding beneficiary groups is correctly matched?
(A) PMKVY : Exclusively for senior citizens
(B) EMRS : Exclusively for urban slum dwellers
(C) PMAY Gramin : Exclusively for minority students
(D) PM-JAY : 12 crore families
(E) Answer not known

65. Under the Credit Linked Subsidy Scheme (CLSS) of PMAY Urban, which of the following categories are explicitly covered?
(A) EWS, LIG, and MIG
(B) Only BPL and AAY
(C) HIG and NRIs
(D) Only destitute and ultra-poor
(E) Answer not known

66. Which of the following statements correctly describes the DDU-GKY scheme?
(A) It is a housing scheme that provides credit-linked subsidies for citizens
(B) Constructing toilets in convergence with MGNREGA for rural households
(C) Placement-linked skill training for rural youth
(D) It provides free food grains during pandemic situations to all citizens
(E) Answer not known

67. Consider the following statements regarding social pension programmes under NSAP:
I. They involve DBT payments.
II. They require Aadhaar seeding for transparency.
III. They witnessed reform through increased pension amounts.
IV. They are exclusively for government employees post-retirement.
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) I and II
(C) II, III and IV
(D) I and IV
(E) Answer not known

68. Which of the following is an incorrect statement regarding the Pradhan Mantri Awas Yojana (PMAY) achievements?
(A) The achievements are tracked by houses sanctioned, completed, and occupied
(B) PMAY Gramin provides a defined unit cost for rural house construction
(C) PMAY Urban supports in-situ slum redevelopment as a specific feature
(D) PMAY prohibits convergence with MGNREGA labour
(E) Answer not known

69. Stand-Up India specifically targets which of the following groups, making other demographics the exception?
(A) General category male entrepreneurs
(B) SC, ST, and women entrepreneurs
(C) Large-scale corporate enterprises
(D) Foreign direct investors
(E) Answer not known

70. According to the growth versus redistribution debate, what is the primary justification for direct intervention policies like the Twenty Point Programme?
(A) Wealth automatically trickles down rapidly to everyone
(B) Growth eliminates the need for national economic policies
(C) Trickle-down effects are often too slow
(D) Redistributing wealth naturally happens without any government policies
(E) Answer not known

71. Consider the following statements regarding the assessment of poverty alleviation in India:
I. Significant progress has been made in reducing the absolute poverty headcount.
II. Leakages and inclusion/exclusion errors remain key governance challenges.
III. Future strategies heavily emphasize DBT and rights-based entitlements.
IV. Poverty is now completely eradicated in both rural and urban areas.
V. Health and education security have become integral to the new poverty alleviation strategy.
Which of the above statement(s) is/are correct?
(A) I, II, III and V
(B) I, II and III

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the IMPDS portal.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

14. Match the following housing and livelihood schemes with their respective features:
List I: Schemes
P. PMAY Gramin
Q. PMAY Urban
R. DAY-NRLM
S. PMEGP
List II: Features
I. In-situ slum redevelopment and credit-linked subsidy
II. Convergence with MGNREGA labour and toilet construction
III. Self-employment and entrepreneurship for artisans
IV. SHG promotion, bank linkage, and skill training
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-I, R-III, S-IV
(D) P-I, Q-II, R-IV, S-III
(E) Answer not known

15. Which of the following pairs of poverty measurement terms and their descriptions is correctly matched?
(A) Inclusion error: Process where wrong beneficiaries are included in the scheme
(B) Automatic exclusion: Criteria used in SECC 2011 to filter out affluent households
(C) Exclusion error: Eligible and deserving beneficiaries are left out of benefits
(D) Deprivation criteria: Used exclusively for identifying urban slum dwellers only
(E) Answer not known

16. Select the correct sequence of mechanisms forming the foundation of modern financial inclusion known as the JAM Trinity:
(A) Jan Dhan Accounts → Aadhaar Identification → Mobile Connectivity
(B) Mobile Connectivity → Jan Dhan Accounts → Aadhaar Identification
(C) Aadhaar Identification → Jan Dhan Accounts → Mobile Connectivity
(D) Jan Dhan Accounts → Mobile Connectivity → Aadhaar Identification
(E) Answer not known

17. Arrange the steps of the Graduation Approach to poverty alleviation in the correct logical sequence:
I. Asset transfer
II. Identification of the ultra-poor
III. Livelihood diversification
IV. Training and support
(A) II, I, IV, III
(B) I, II, III, IV
(C) II, IV, I, III
(D) I, IV, II, III
(E) Answer not known

18. Consider the following statements regarding the Credit Linked Subsidy Scheme (CLSS) under PMAY Urban:
I. It benefits EWS, LIG, and MIG categories.
II. It provides a home loan subsidy to beneficiaries.
III. It is solely applicable to rural agricultural labourers.
Which of the above statement(s) is/are incorrect?
(A) I and II
(B) I only
(C) II and III
(D) III only
(E) Answer not known

19. Which of the following is an incorrect statement regarding the Socio-Economic and Caste Census (SECC) 2011?
(A) Used strictly for urban poverty while excluding rural areas
(B) It collected specific data on various caste dimensions of poverty
(C) It utilized both automatic exclusion and deprivation criteria parameters
(D) It aimed to resolve identification challenges of the previous BPL census
(E) Answer not known

20. Which of the following features is NOT an exception to the benefits of the Direct Benefit Transfer (DBT) Mission?
(A) Aadhaar linkage

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(A) 15 kg
(B) 25 kg
(C) 35 kg
(D) 50 kg
(E) Answer not known

80. Which of the following statements correctly identifies the target coverage of the National Food Security Act (NFSA) 2013?
(A) 50 percent of the rural population and 75 percent of the urban population
(B) 75 percent of the rural population and 50 percent of the urban population
(C) 100 percent of both rural and urban populations
(D) 35 percent of the rural population and 25 percent of the urban population
(E) Answer not known

81. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): PMAY Gramin encourages convergence with the MGNREGA scheme.
Reason (R): Beneficiaries can utilise MGNREGA labour days for the construction of their own homes and toilets, thereby reducing out-of-pocket expenses.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

82. Match the education schemes with their specific target beneficiary groups:
List I: Schemes
P. Eklavya Model Residential Schools
Q. Babu Jagjivan Ram Chhatrawas Yojana
R. Pre-matric scholarships
S. Stand-Up India
List II: Target Beneficiary Groups
I. SC students (Hostel construction)
II. Tribal children
III. SC, ST, and Women entrepreneurs
IV. SC, ST, OBC, and minority students
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-IV, R-I, S-III
(D) P-III, Q-I, R-II, S-IV
(E) Answer not known

83. Which of the following pairs regarding skill development and entrepreneurship schemes is correctly matched?
(A) SFURTI : Development of traditional industry clusters
(B) PMKVY : Placement-linked training specifically for extreme ultra-poor
(C) PMEGP : Agricultural crop insurance
(D) DDU-GKY : Foreign direct investment in IT
(E) Answer not known

84. Which of the following is an incorrect statement regarding the Prime Minister's Employment Generation Programme (PMEGP)?
(A) It promotes self-employment and entrepreneurship for rural and urban citizens
(B) It functions as a structural livelihood programme within the framework
(C) It aims to generate employment opportunities in rural and urban areas
(D) Managed by the Ministry of Health
(E) Answer not known

85. According to the standard provisions of the NFSA 2013, which of the following is NOT a feature of its entitlements?
(A) Legal entitlement to receive food grains
(B) Free gold coins distributed during festival seasons
(C) Provision of 5 kg of grain per person per month to priority households
(D) Distribution of grains at highly subsidised prices
(E) Answer not known

86. Which of the following is the most appropriate reason for integrating the Aadhaar seeding and DBT payment into the NSAP social pension programmes?
(A) To force the elderly to use smartphones for all daily activities
(B) To reduce the actual pension amount distributed to the beneficiaries
(C) Transparent and leak-proof delivery
(D) To shift the burden of pension from the Centre to the State governments

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Development Programme focused on block-level administration, while "Garibi Hatao" was a political slogan for direct intervention. The Integrated Rural Development Programme aimed at providing self-employment through subsidy credit rather than universal basic income. Misidentifying the core objective of IRDP overlooks its focus on asset-based livelihood generation for rural families.

35. (B) End-to-end computerisation → Biometric Authentication → Issue of ration grains
The modern Public Distribution System follows a logical sequence to ensure transparency and prevent leakage. First, end-to-end computerization is implemented to track grain movement. Next, biometric authentication verifies the identity of the beneficiary at the fair price shop. Finally, the food grains are issued to the authenticated recipient. This technological workflow ensures that entitlements reach the correct individuals efficiently.

36. (B) III, I, II, IV
Implementing the PM-JAY health scheme involves several critical steps in chronological order. The process begins with hospital empanelment to establish a care network. Subsequently, eligible beneficiaries are identified using data from the Socio-Economic and Caste Census. After identification, e-cards are generated for the families. Finally, these cards enable beneficiaries to access free medical treatment up to five lakh rupees annually.

37. (A) I, II and III
The Babu Jagjivan Ram Chhatrawas Yojana focuses on educational empowerment by funding the construction of hostels for Scheduled Caste students. This scheme aims to reduce dropout rates and provide a supportive environment for higher education. By facilitating access to safe accommodation, it addresses a significant barrier to academic success for marginalized communities. It is a government-funded initiative aimed at long-term poverty alleviation.

38. (C) Inclusion error
In the context of poverty measurement and welfare distribution, an "inclusion error" occurs when affluent individuals or those above the poverty line are mistakenly included as beneficiaries. This governance failure leads to the misallocation of scarce resources intended for the needy. Reducing such errors is a primary goal of modern data-driven targeting methods, like the Socio-Economic and Caste Census and Aadhaar.

39. (C) 10 lakh to 1 crore
Stand-Up India is a specialized credit scheme designed to foster entrepreneurship among Scheduled Castes, Scheduled Tribes, and women. It facilitates bank loans ranging from ten lakh to one crore rupees for setting up greenfield enterprises. By providing substantial capital and handholding support, the scheme aims to create new business owners and promote economic inclusivity within historically marginalized demographic groups.

40. (D) 35 kg
The Antyodaya Anna Yojana targets the poorest of the poor within the Indian population to ensure their food security. Under this scheme, eligible households are entitled to receive thirty-five kilograms of food grains every month at highly subsidized rates. This fixed household quota differs from the per-person allocation given to priority households, emphasizing support for the most vulnerable families nationwide.

41. (B) I, II and III
The rights-based approach to poverty alleviation is characterized by legal entitlements that citizens can claim as a matter of right. Key examples include the MGNREGA for wage employment, the National Food Security Act for nutritional support, and the Right to Education Act for schooling. These legislative frameworks shift the focus from discretionary welfare to legally binding government obligations toward its citizens.

42. (A) Both A and R are true and R is the correct explanation of A.
The Socio-Economic and Caste Census 2011 serves as the primary data source for identifying beneficiaries in modern welfare schemes like PMAY and PM-JAY. Unlike the previous BPL census, SECC provides granular data based on automatic exclusion and deprivation criteria. This transition has significantly improved the accuracy of targeting, ensuring that government

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(E) Answer not known

95. Which of the following is a correct statement regarding the SFURTI scheme?
(A) It is primarily an urban slum redevelopment scheme for large metro cities
(B) Cluster development for traditional industries
(C) It distributes free food grains to tribal populations living in rural areas
(D) It provides 5 lakh health insurance to artisans through a centralized portal
(E) Answer not known

96. Which of the following statements incorrectly describes the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)?
(A) It is based on a legal entitlement to work.
(B) It guarantees 100 days of wage employment in a financial year to a rural household.
(C) It forms a major part of India's rights-based approach to poverty.
(D) It relies exclusively on the trickle-down economic theory for poverty alleviation.
(E) Answer not known

97. In modern PDS reforms, biometric authentication refers to:
(A) Verifying identity at Fair Price Shops
(B) Measuring the height and weight of beneficiaries to determine nutrition levels
(C) Issuing smart cards that track the beneficiary's medical history for health insurance
(D) Using satellite imagery to track food grain transport vehicles across the country
(E) Answer not known

98. What is the designated food grain quota per person per month for Priority Households under the National Food Security Act?
(A) 2 kg
(B) 5 kg
(C) 10 kg
(D) 35 kg
(E) Answer not known

99. The "debt trap" observed during the assessment of the Integrated Rural Development Programme (IRDP) was primarily caused by:
(A) Non-viable assets without market linkage
(B) Excessive interest rates charged by various large international banking institutions
(C) The government violently seizing land from the rural poor during the project
(D) Mandatory investment in high-risk stock markets for all rural beneficiaries
(E) Answer not known

100. Based on the historical evolution of poverty alleviation strategies, which of the following best summarizes the modern approach?
(A) Complete abandonment of targeted schemes in favor of unstructured charity
(B) Reverting to the 1950s model of Community Development Programmes without individual subsidies
(C) Exclusively funding urban corporate enterprises to drive poverty reduction
(D) Use of data, technology, and rights
(E) Answer not known

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of a productive asset. Subsequently, beneficiaries receive rigorous training and ongoing support to manage these assets. Finally, the approach focuses on livelihood diversification to ensure long-term economic resilience and sustainable self-reliance.

18. (D) III only
The Credit Linked Subsidy Scheme under PMAY Urban provides interest subsidies on home loans for various income groups, including Economically Weaker Sections, Low Income Groups, and Middle Income Groups. This initiative is specifically designed for urban residents to improve housing affordability in cities. It is not intended for rural agricultural laborers, who are covered under different rural development schemes.

19. (A) Used strictly for urban poverty while excluding rural areas
The Socio-Economic and Caste Census 2011 was a comprehensive exercise designed to identify beneficiaries in both rural and urban areas. It replaced the previous BPL census by collecting detailed data on various dimensions of poverty and caste. By utilizing automatic exclusion and deprivation parameters, it aimed to minimize identification errors and ensure more accurate targeting for diverse welfare programs nationwide.

20. (D) Bypassing the nodal agency for all schemes
The Direct Benefit Transfer Mission utilizes Aadhaar linkage and bank accounts to transfer subsidies directly to beneficiaries, significantly reducing leakages and systemic wastage. While it streamlines funding, it does not bypass the specialized nodal agencies responsible for overseeing various schemes. Instead, these agencies manage the distribution process through centralized portals to ensure transparency and accountability in the delivery of benefits.

21. (A) I, III and IV
Deendayal Antyodaya Yojana-National Rural Livelihoods Mission focuses on organizing rural poor into Self Help Groups to promote financial independence. It incorporates bank linkage, skill training, and the graduation approach to assist the ultra-poor. While it primarily targets rural livelihoods, it creates a sustainable ecosystem for poverty reduction. The mission emphasizes social mobilization and institutional building to empower marginalized communities effectively.

22. (A) Both A and R are true and R is the correct explanation of A.
The Graduation Approach is highly effective for the ultra-poor because it addresses multiple dimensions of poverty simultaneously. By combining asset transfers with intensive training and livelihood diversification, the program provides a comprehensive support system tailored to the most vulnerable groups. This integrated method ensures that beneficiaries gain the necessary skills and resources to move toward a sustainable and independent economic future.

23. (A) P-III, Q-II, R-IV, S-I
PMKVY focuses on broad skill development and certification across various sectors. DDU-GKY provides placement-linked training specifically for rural youth to enhance employability. The National Social Assistance Programme manages social pension schemes utilizing Direct Benefit Transfer. Finally, SFURTI emphasizes cluster development for traditional industries, ensuring that artisans and traditional workers receive infrastructure support to improve their productivity and market competitiveness.

24. (A) Eklavya Model Residential Schools : Quality education for tribal children
Eklavya Model Residential Schools are specifically established to provide high-quality education to tribal children in remote areas. This initiative focuses on bridge-building between traditional communities and modern academic opportunities. Other schemes, like PM-JAY, address healthcare needs rather than scholarships. Educational infrastructure projects, such as hostels and scholarships, are critical for empowering marginalized students and breaking the intergenerational cycle of poverty.

25. (A) SC/ST or Women Entrepreneur → Bank Branch Application → Loan of 10 lakh to 1 crore → Enterprise Setup
Stand-Up India facilitates entrepreneurship among Scheduled Castes, Scheduled Tribes, and women by providing bank loans between ten lakh and one crore rupees. The process begins with the

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9. (A) I, II and IV
The National Food Security Act 2013 represents a significant shift toward a rights-based approach to food security. It provides legal entitlements to seventy-five percent of the rural population and fifty percent of the urban population. Priority households receive five kilograms of grain per person monthly. While Antyodaya households get thirty-five kilograms per month, the priority household entitlement is per person.

10. (C) December 2023
Introduced during the COVID-19 pandemic, the PM Garib Kalyan Anna Yojana provided free food grains to beneficiaries. This supplementary scheme was extended multiple times to ensure food security for vulnerable populations during economic recovery. It continued until December 2023, after which it was integrated into the primary National Food Security Act framework to provide free grains under regular entitlements.

11. (A) I, II, III and IV
Modern PDS reforms utilize end-to-end computerization and biometric authentication to ensure transparent grain distribution. Direct Benefit Transfer, supported by the JAM Trinity, facilitates the transfer of subsidies to Aadhaar-linked bank accounts. These technological interventions effectively reduce leakages and inclusion errors. The system enhances efficiency by eliminating ghost beneficiaries and ensuring that benefits reach only those who are legitimately eligible.

12. (C) Free grains for all NFSA beneficiaries from January 2024
The merger of PM Garib Kalyan Anna Yojana with the National Food Security Act ensures that all eligible beneficiaries receive their grain entitlements free of charge. Effective from January 2024, this policy removes the requirement for priority households and Antyodaya Anna Yojana families to pay subsidized prices. This transition aims to simplify the distribution process and enhance food security across India.

13. (A) Both A and R are true and R is the correct explanation of A.
The One Nation One Ration Card scheme significantly enhances food security for migrant workers by enabling entitlement portability. Through the Integrated Management of Public Distribution System portal, beneficiaries can access their food grain quotas from any fair price shop nationwide. This technological integration ensures that geographic relocation does not result in the loss of essential nutritional support for vulnerable mobile populations.

14. (A) P-II, Q-I, R-IV, S-III
PMAY Gramin integrates with MGNREGA for labor during house construction. PMAY Urban focuses on in-situ slum redevelopment and provides credit-linked subsidies for city dwellers. DAY-NRLM promotes self-help groups and skill training for rural livelihoods. Meanwhile, the PMEGP encourages entrepreneurship and self-employment opportunities for artisans and youth, facilitating economic independence through financial assistance and structured support for new ventures.

15. (B) Automatic exclusion: Criteria used in SECC 2011 to filter out affluent households
The Socio-Economic and Caste Census 2011 utilized specific parameters to improve beneficiary targeting for welfare schemes. Automatic exclusion criteria were designed to filter out affluent households based on assets or income, ensuring resources are directed toward the needy. Conversely, deprivation criteria help identify those living in poverty. Inclusion and exclusion errors refer to mistakes in the selection process itself.

16. (A) Jan Dhan Accounts → Aadhaar Identification → Mobile Connectivity
The JAM Trinity serves as the foundation for modern financial inclusion and Direct Benefit Transfer in India. It begins with Jan Dhan bank accounts for financial access, followed by Aadhaar for unique biometric identification. Mobile connectivity completes the triad, allowing for secure transactions and notifications. This integrated sequence ensures that government subsidies reach beneficiaries directly, minimizing middleman interference and systemic leakages.

17. (A) II, I, IV, III
The Graduation Approach is a structured method designed to lift the ultra-poor out of extreme poverty. It begins with the precise identification of vulnerable households, followed by the transfer

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51. (A) I, II and III
The JAM Trinity integrates Jan Dhan bank accounts, Aadhaar biometric identification, and mobile connectivity to create a robust infrastructure for Direct Benefit Transfer. This system significantly enhances financial inclusion by ensuring that government subsidies reach beneficiaries directly. It does not bypass bank accounts; rather, it relies on them to ensure transparent, efficient, and leak-proof delivery of various welfare benefits nationwide.

52. (A) Both A and R are true and R is the correct explanation of A.
Social harmony and the reduction of caste discrimination are fundamental to sustainable poverty reduction in India. Historical structural exclusions based on caste have limited access to education, credit, and assets for many communities. Therefore, inclusive policies and reservations are necessary to address these deep-seated inequalities, ensuring that economic growth and welfare benefits reach all sections of society regardless of social background.

53. (A) P-III, Q-II, R-IV, S-I
Different poverty alleviation schemes target specific vulnerabilities. The National Social Assistance Programme provides financial support to the elderly and widows. Eklavya Model Residential Schools address educational deficits among tribal children. Stand-Up India focuses on credit barriers for marginalized entrepreneurs, while PMAY Gramin tackles the lack of adequate housing in rural areas. Together, these programs form a multi-faceted safety net.

54. (C) PM Garib Kalyan Anna Yojana : Commercial sale of buffer stocks
Food security initiatives in India utilize various mechanisms to support different populations. The Antyodaya Anna Yojana provides thirty-five kilograms of grain per month, while priority households receive five kilograms per person. The National Food Security Act covers seventy-five percent of the rural population. However, PM Garib Kalyan Anna Yojana was a pandemic relief measure providing free grains, not commercial sales.

55. (D) Targeted programmes like IRDP and MGNREGA
Direct intervention in poverty alleviation involves specific, targeted programs designed by the state to provide immediate relief and long-term support to the poor. This approach contrasts with relying solely on indirect economic growth. Schemes like the Integrated Rural Development Programme and MGNREGA are classic examples, as they provide employment and assets directly to those in need to bypass slow trickle-down effects.

56. (A) Deserving beneficiaries are deprived of entitlements
An "exclusion error" in welfare programs occurs when eligible and deserving beneficiaries are mistakenly left out of a scheme. This error is particularly harmful as it deprives the most vulnerable individuals of their rightful entitlements, such as food grains or healthcare. Ensuring accurate identification through better data and technology is critical for minimizing these errors and achieving universal coverage for the poor.

57. (A) I, II, III and V
The Integrated Rural Development Programme was an early direct intervention providing subsidy credit for self-employment. However, it faced significant challenges, including leakages, incorrect beneficiary selection, and the creation of debt traps due to non-viable assets. While it aimed to empower rural families, its structural flaws eventually led to its replacement and the evolution of more effective, rights-based livelihood missions.

58. (B) Mahatma Gandhi National Rural Employment Guarantee Act
The Mahatma Gandhi National Rural Employment Guarantee Act represents a fundamental shift from welfare-based to rights-based approaches in poverty alleviation. Unlike earlier programs that offered discretionary assistance, MGNREGA provides a legal guarantee of employment. This legislative mandate empowers citizens to demand work as a right, ensuring greater accountability and a more reliable social safety net for the rural poor across India.

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identification of a target entrepreneur, followed by a formal application at a bank branch. Once the loan is sanctioned, the beneficiary utilizes the capital for enterprise setup, promoting economic empowerment and industrial growth.

26. (B) II, III, I
Pradhan Mantri Mudra Yojana offers credit in three distinct stages to match the growth of micro-enterprises. Shishu provides loans up to fifty thousand rupees for startups. Kishore targets established small businesses with loans between fifty thousand and five lakh rupees. Tarun represents the highest category, offering credit from five lakh up to ten lakh rupees for further business expansion.

27. (B) I, II and III
MGNREGA is a landmark rights-based program that guarantees one hundred days of wage employment to rural households. It provides legal entitlements and facilitates convergence with other schemes like PMAY Gramin for labor-intensive tasks. Unlike earlier welfare programs, it focuses on asset creation while providing a social safety net. This legislative framework ensures that the right to work is legally protected.

28. (C) Providing basic banking and credit services for vulnerable groups
Financial inclusion is a vital tool for poverty alleviation, focusing on providing affordable banking and credit services to vulnerable populations. It ensures that marginalized groups have access to savings accounts, insurance, and formal loans. By bringing the unbanked into the formal financial system, this approach empowers individuals to manage risks, invest in livelihoods, and escape the traps of informal moneylenders.

29. (D) Graduation approach
The Graduation Approach is specifically designed to assist the ultra-poor who are often excluded from standard livelihood programs. It involves providing a productive asset along with intensive training, healthcare, and social support. This holistic strategy aims to "graduate" families out of extreme poverty into sustainable livelihoods, ensuring they have the confidence and resources needed to maintain economic stability long-term.

30. (C) DDU-GKY
Deen Dayal Upadhyaya Grameen Kaushalya Yojana is a prominent example of placement-linked skill training within India's poverty alleviation framework. It specifically targets rural youth, providing them with market-relevant skills and guaranteed job placements in the formal sector. By bridging the gap between rural talent and industrial demand, this scheme promotes economic mobility and reduces dependence on traditional agricultural labor.

31. (A) I and II
Recent reforms in the National Social Assistance Programme focus on enhancing transparency and efficiency in pension delivery. These include increased pension amounts for the elderly and widows, alongside mandatory Aadhaar seeding and Direct Benefit Transfer payments. These technological updates ensure that social security benefits reach the intended recipients directly in their bank accounts, effectively minimizing delays and systemic corruption in distribution.

32. (A) Both A and R are true and R is the correct explanation of A.
Ayushman Bharat PM-JAY provides crucial financial risk protection to millions of poor families by covering secondary and tertiary healthcare expenses. It offers a health cover of five lakh rupees per family annually, allowing access to both public and empanelled private hospitals. This initiative prevents families from falling deeper into poverty due to catastrophic health expenditures, ensuring better health outcomes nationwide.

33. (A) P-I, Q-II, R-III, S-IV
Inclusion errors occur when ineligible individuals receive benefits, while exclusion errors mean deserving beneficiaries are left out. Historically, the BPL Census was the primary method for poverty targeting. Currently, the Direct Benefit Transfer Mission serves as the nodal agency to oversee subsidy transfers and reduce leakages. Understanding these concepts is essential for improving the precision and impact of welfare programs.

34. (C) IRDP : Universal basic income for all citizens
Early poverty alleviation programs in India had specific operational goals. The Community

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(E) Answer not known

87. The Credit Linked Subsidy Scheme (CLSS) categorises beneficiaries into EWS, LIG, and MIG. These classifications are primarily based on:
(A) Educational qualifications
(B) Caste census data
(C) Landholding size in rural areas
(D) Household income levels
(E) Answer not known

88. In-situ slum redevelopment is a key feature belonging to which of the following housing strategies?
(A) PMAY Urban
(B) PMAY Gramin
(C) Stand-Up India
(D) DAY-NRLM
(E) Answer not known

89. In the context of PDS reforms, what does "end-to-end computerisation" fundamentally achieve?
(A) Replacing physical food grains entirely with digital cryptocurrency for everyone
(B) Tracking food grains from procurement to distribution
(C) Forcing all farmers to sell produce online through specialized digital portals
(D) Eliminating the need for any physical ration cards across the entire country
(E) Answer not known

90. The concept of JAM Trinity, which provides the infrastructure for DBT, expands into:
(A) Jobs, Assets, Money
(B) Jan Dhan, Aadhaar, Mobile
(C) Justice, Agriculture, Microfinance
(D) Jeevan, Arogya, Mudra
(E) Answer not known

91. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Addressing caste discrimination is vital for the success of poverty reduction schemes in India.
Reason (R): Poverty in India has strong social dimensions where marginalised castes face historical barriers to education, credit, and assets.
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false.
(D) A is false but R is true.
(E) Answer not known

92. Match the following schemes with their historical assessment/limitations:
List I: Schemes
P. IRDP
Q. Early BPL Census
R. RSBY
S. PDS (Pre-reforms)
List II: Assessments/Limitations
I. Suffered from massive inclusion and exclusion errors due to faulty identification
II. Beneficiaries often fell into a debt trap due to poorly targeted subsidy credit
III. Plagued by ghost beneficiaries and high leakage before computerisation
IV. Health coverage was limited and eventually replaced by PM-JAY
(A) P-II, Q-I, R-IV, S-III
(B) P-I, Q-II, R-III, S-IV
(C) P-II, Q-IV, R-I, S-III
(D) P-III, Q-I, R-II, S-IV
(E) Answer not known

93. Which of the following pairs regarding programme replacements is correctly matched?
(A) NFSA : Replaced by PMGKAY permanently
(B) PM-JAY : Replaced by National Social Assistance Programme
(C) DAY-NRLM : Replaced by Community Development Programme
(D) RSBY : Replaced by PM-JAY
(E) Answer not known

94. Under the Stand-Up India scheme, what is the mandated target for bank branches regarding loans to SC/ST and women entrepreneurs?
(A) At least one borrower from both categories per state
(B) Ten borrowers per village panchayat
(C) At least one SC/ST borrower and at least one woman borrower per bank branch
(D) One hundred borrowers per district

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assistance reaches those who genuinely meet the socio-economic requirements.

43. (A) P-IV, Q-III, R-II, S-I
Eklavya Model Residential Schools provide quality education for tribal children, while pre-matric and post-matric scholarships offer foundational and higher education support for marginalized groups. The Babu Jagjivan Ram Chhatrawas Yojana specifically funds the construction of hostels for Scheduled Caste students. Together, these initiatives form a comprehensive educational support system designed to foster social mobility and reduce poverty through academic empowerment.

44. (C) PMAY Gramin : Convergence with MGNREGA labour
Scheme convergence improves efficiency by integrating resources from different programs. A primary example is the convergence of PMAY Gramin with MGNREGA, where house construction beneficiaries can utilize MGNREGA labor days for building their homes and toilets. This collaboration reduces the financial burden on the poor and ensures that multiple developmental goals, such as housing and employment, are achieved simultaneously through integrated action.

45. (C) Shishu → Kishore → Tarun
The Pradhan Mantri Mudra Yojana supports micro-enterprises through a structured credit progression that matches business development stages. The sequence begins with Shishu for initial startup needs, followed by Kishore for middle-stage growth and expansion. Finally, Tarun provides the highest credit limit for mature enterprises. This approach ensures that small business owners receive appropriate financial support as their ventures evolve and scale.

46. (A) I, III, II
India's poverty alleviation strategies have transitioned through three historical phases. The initial period was dominated by the trickle-down theory, focusing on macro-level growth. This was followed by early direct interventions like the Community Development Programme and Integrated Rural Development Programme. The contemporary era is characterized by rights-based legal entitlements, ensuring guaranteed benefits through legislation like the MGNREGA and National Food Security Act.

47. (A) I and II
The Scheme of Fund for Regeneration of Traditional Industries, known as SFURTI, focuses on organized cluster development for traditional artisans. It aims to make traditional industries more productive and competitive by providing infrastructure, technology, and marketing support. While it strengthens rural and artisanal sectors, it does not seek to replace large-scale urban manufacturing but rather complements the broader industrial landscape.

48. (D) It includes in-situ slum redevelopment
PMAY Urban is designed to provide affordable housing for the urban poor through several specific mechanisms. A key feature of the scheme is in-situ slum redevelopment, which focuses on using land as a resource to provide better housing for slum dwellers. It also includes credit-linked subsidies for different income groups, ensuring that urban residents can achieve secure and dignified living conditions.

49. (A) Beneficiaries are identified based on income tax returns
PM-JAY is a comprehensive health insurance scheme that replaced the Rashtriya Swasthya Bima Yojana. It identifies beneficiaries based on deprivation criteria found in the Socio-Economic and Caste Census, rather than income tax returns. The program aims to cover twelve crore families, providing significant financial protection against high medical costs through robust fraud control and transparent implementation across the health sector.

50. (C) Eklavya Model Residential Schools
Structural livelihood programs like MGNREGA, DAY-NRLM, and PMEGP are specifically designed to provide employment and income-generating opportunities to the poor. In contrast, Eklavya Model Residential Schools focus on providing quality education to tribal children. While education is vital for long-term poverty reduction, it is categorized as a social sector initiative rather than a direct structural livelihood or employment program.

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ANSWERS

1. (A) Economic growth benefits the poor over time
The trickle-down approach posits that overall economic growth eventually benefits the impoverished through indirect mechanisms like employment and market expansion. It emphasizes macro-level development, assuming that increased national wealth will naturally reach lower socio-economic strata over time. This strategy contrasts with direct interventions by focusing on broad economic prosperity as the primary driver for poverty reduction.

2. (C) 1952
Launched in 1952, the Community Development Programme was an early intervention aimed at comprehensive village development. It focused on improving rural infrastructure, agriculture, and social welfare through block-level administration. This initiative represented the first major step toward structured rural upliftment in post-independence India, setting the stage for subsequent targeted poverty alleviation strategies and decentralized governance.

3. (A) I and II
The Integrated Rural Development Programme focused on providing self-employment through subsidy credit to rural households. While it aimed for economic upliftment, assessments identified significant challenges, including leakages and incorrect beneficiary identification. Furthermore, many participants faced debt traps due to non-viable assets. Unlike successful interventions, it failed to eliminate debt for all beneficiaries, necessitating reforms in future schemes.

4. (B) Both A and R are true but R is not the correct explanation of A.
The slogan "Garibi Hatao" served as a powerful political mobilization tool during the 1971 elections, focusing on poverty elimination. Although it reflected a programmatic shift toward direct intervention strategies, the slogan's political utility and the program's operational framework are distinct aspects. Both statements are factually accurate, yet the political use does not inherently explain the underlying policy shift.

5. (A) P-III, Q-II, R-IV, S-I
The Twenty Point Programme provides a multi-dimensional framework for poverty alleviation. SECC 2011 utilizes automatic exclusion and deprivation criteria for beneficiary identification. The National Food Security Act 2013 legally guarantees five kilograms of grain to priority households. Additionally, Antyodaya Anna Yojana supports the poorest of the poor by providing thirty-five kilograms of food grains per household each month.

6. (C) Trickle-down approach → Targetted Programmes → Rights-based approach
India's poverty alleviation strategies evolved through three distinct phases. Initially, the trickle-down approach assumed growth would naturally benefit the poor. Later, direct targeted programs like the Integrated Rural Development Programme addressed specific vulnerabilities. Currently, the framework focuses on rights-based legal entitlements, such as the MGNREGA and National Food Security Act, ensuring guaranteed benefits through legislative mandates and transparency.

7. (B) I, IV, III, II
The historical progression began with the Community Development Programme in 1952. This was followed by the "Garibi Hatao" slogan during the 1971 elections, marking a shift toward direct intervention. Decades later, the Socio-Economic and Caste Census was conducted in 2011 to refine beneficiary targeting. Finally, the National Food Security Act was enacted in 2013 to provide legal entitlements.

8. (A) Mahila : Credit category for women artisans
Pradhan Mantri Mudra Yojana classifies loans into three specific categories based on the stage of enterprise growth and funding needs. Shishu covers loans up to fifty thousand rupees, Kishore covers five lakh, and Tarun extends up to ten lakh rupees. While the scheme supports women, "Mahila" is not a defined credit limit category within this specific micro-enterprise framework.

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59. (A) Uplifting the poorest of the poor
The term "Antyodaya" literally translates to the "upliftment of the last person." In the context of Indian poverty alleviation, it refers to programs specifically designed to reach the poorest of the poor within society. This principle ensures that those at the very bottom of the socio-economic ladder receive priority in the distribution of essential resources, such as food and housing.

60. (B) 5 kg per person per month
Under the National Food Security Act 2013, priority households are entitled to receive five kilograms of food grains per person every month at highly subsidized prices. This individual-based entitlement ensures that larger families receive proportionally more support. This differs from the Antyodaya Anna Yojana, which provides a fixed monthly quota of thirty-five kilograms to the entire household regardless of its size.

61. (A) I and II
India's health security for the poor evolved from the Rashtriya Swasthya Bima Yojana to the more comprehensive PM-JAY. While RSBY provided basic health insurance for BPL families, PM-JAY expanded coverage significantly, offering financial risk protection up to five lakh rupees per family annually. This transition aims to cover secondary and tertiary care, protecting vulnerable families from falling into poverty due to medical costs.

62. (A) Both A and R are true and R is the correct explanation of A.
The Direct Benefit Transfer Mission has successfully achieved significant leakage savings by modernizing the subsidy delivery system. By directly linking benefits to Aadhaar-seeded bank accounts, the government has effectively eliminated ghost beneficiaries and redundant middlemen. This technological intervention ensures that funds are delivered securely and transparently to the correct recipients, optimizing the use of public resources for poverty alleviation programs.

63. (A) P-II, Q-III, R-I, S-IV
Pradhan Mantri Mudra Yojana categorizes loans to support micro-enterprises at different stages of growth. Shishu offers loans up to fifty thousand rupees, while Kishore provides funding between fifty thousand and five lakh rupees. Tarun covers the highest bracket, ranging from five lakh to ten lakh rupees. Collectively, these categories fulfill the scheme's nodal objective of facilitating accessible credit for small businesses.

64. (D) PM-JAY : 12 crore families
Beneficiary identification is a critical component of welfare delivery in India. PM-JAY aims to cover approximately twelve crore families, providing them with essential health insurance. Other programs have specific focuses, such as EMRS for tribal education and PMKVY for broad skill development. Ensuring that schemes accurately reach their target demographics is vital for achieving the intended social and economic impacts of poverty reduction.

65. (A) EWS, LIG, and MIG
The Credit Linked Subsidy Scheme under PMAY Urban explicitly covers several socio-economic categories based on household income. These include the Economically Weaker Sections, Low Income Groups, and Middle Income Groups. By providing interest subsidies on home loans, the scheme makes urban housing more affordable for these diverse segments, facilitating broader access to secure property ownership and improved living standards in cities.

66. (C) Placement-linked skill training for rural youth
Deen Dayal Upadhyaya Grameen Kaushalya Yojana is a specialized livelihood program that focuses on placement-linked skill training for rural youth. It aims to transform rural poor into a globally competitive workforce by providing market-relevant training and guaranteed job placements. This initiative is a core part of the National Rural Livelihoods Mission, promoting economic empowerment and professional growth for younger generations.

67. (A) I, II and III
Social pension programs under the National Social Assistance Programme have undergone significant reforms to enhance efficiency and reach. These include the adoption of Direct Benefit Transfer and mandatory Aadhaar seeding to ensure transparent delivery. Additionally, pension amounts have been periodically increased to better support vulnerable groups

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opportunities in both rural and urban areas. It supports citizens in establishing micro-enterprises and generating sustainable income. However, it is not managed by the Ministry of Health. Instead, it is an initiative that focuses on industrial and entrepreneurial development to drive economic growth and poverty reduction.

85. (B) Free gold coins distributed during festival seasons
The National Food Security Act 2013 provides several legal entitlements aimed at ensuring nutritional security. These include the distribution of food grains at highly subsidized prices and a specific monthly quota of five kilograms per person for priority households. While the act focuses on essential food items like wheat and rice, it does not include the distribution of luxury items.

86. (C) Transparent and leak-proof delivery
Integrating Aadhaar seeding and Direct Benefit Transfer into the National Social Assistance Programme is primarily aimed at ensuring transparent and leak-proof delivery of social pensions. This technological framework eliminates duplicate and ghost beneficiaries, ensuring that limited welfare funds reach the elderly and widows directly in their bank accounts. This modernization significantly reduces administrative delays and prevents the misappropriation of social security funds.

87. (D) Household income levels
The Credit Linked Subsidy Scheme under PMAY Urban classifies beneficiaries into Economically Weaker Sections, Low Income Groups, and Middle Income Groups based on their annual household income levels. These classifications determine the specific interest subsidy rates and loan amounts for which a family is eligible. This income-based targeting ensures that financial assistance for urban housing is distributed equitably across different economic strata.

88. (A) PMAY Urban
In-situ slum redevelopment is a distinctive feature of PMAY Urban, focusing on rehabilitating slum dwellers using the land they currently occupy. This approach utilizes the potential of land as a resource to provide dignified housing and essential amenities to city residents living in informal settlements. By improving urban living conditions, it addresses a major dimension of urban poverty and infrastructure.

89. (B) Tracking food grains from procurement to distribution
In the context of Public Distribution System reforms, end-to-end computerization fundamentally achieves the comprehensive tracking of food grains throughout the entire supply chain. It monitors the movement of grains from procurement centers to godowns and finally to fair price shops. This digital oversight is essential for preventing unauthorized diversions, reducing leakages, and ensuring that the distribution process remains transparent and accountable.

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90. (B) Jan Dhan, Aadhaar, Mobile
The JAM Trinity is a foundational concept in India's financial inclusion strategy, expanding into Jan Dhan, Aadhaar, and Mobile. Jan Dhan provides universal access to bank accounts, Aadhaar offers unique biometric identification, and Mobile connectivity enables secure, digital interactions. Together, these three components provide the necessary technical infrastructure for the efficient and direct transfer of government subsidies to millions of citizens.

91. (A) Both A and R are true and R is the correct explanation of A.
Addressing caste discrimination is essential for the success of poverty reduction schemes in India because poverty often has deep-rooted social dimensions. Marginalized castes have historically faced structural barriers to accessing education, credit, and productive assets. Consequently, effective poverty alleviation requires not just economic assistance, but also inclusive policies that dismantle these social obstacles to ensure equitable opportunities for all citizens.

92. (A) P-II, Q-I, R-IV, S-III
Many early poverty alleviation programs faced significant operational challenges. The Integrated Rural Development Programme often led to debt traps for beneficiaries. The early BPL Census was plagued by inclusion and exclusion errors due to faulty identification methods. Pre-reform PDS suffered from high leakage and ghost beneficiaries. Additionally, the RSBY provided

76. (C) Asset transfer
Within the Graduation Approach implemented by DAY-NRLM, providing livestock or machinery to the ultra-poor is known as asset transfer. This critical step provides beneficiaries with a productive resource they can use to generate income and build a sustainable livelihood. Coupled with training, this transfer empowers vulnerable households to move from extreme poverty toward economic independence and long-term self-reliance.

77. (D) BPL Census
Prior to the introduction of the Socio-Economic and Caste Census, the primary method for identifying beneficiaries for targeted welfare schemes was the BPL Census. This early approach faced several challenges, including significant identification errors and a lack of granular data. These limitations led to the development of more sophisticated data-driven models to ensure that poverty alleviation benefits reached the most deserving.

78. (C) Block level
The Community Development Programme, initiated in 1952, was India's first major rural development initiative. It focused its administration primarily at the block level, which served as the basic unit of planning and implementation. This structure aimed to ensure that development efforts were localized and responsive to the needs of village communities, setting a precedent for decentralized rural administration and governance.

79. (C) 35 kg
The Antyodaya Anna Yojana is specifically designed to provide the highest level of food security to the most impoverished families in India. Under the provisions of this scheme, each eligible household is entitled to receive thirty-five kilograms of highly subsidized food grains per month. This fixed allocation ensures that the "poorest of the poor" have a reliable and sufficient food supply.

80. (B) 75 percent of the rural population and 50 percent of the urban population
The National Food Security Act 2013 aims for broad coverage to ensure nutritional support across the country. It provides legal entitlements to seventy-five percent of the rural population and fifty percent of the urban population. By targeting these specific proportions, the act ensures that a significant majority of citizens, particularly those in vulnerable and lower-income categories, have guaranteed access to food.

81. (A) Both A and R are true and R is the correct explanation of A.
PMAY Gramin actively promotes convergence with the MGNREGA scheme to enhance the affordability of rural housing. This collaboration allows beneficiaries to utilize MGNREGA labor days for constructing their own homes and toilets. By doing so, they can significantly reduce their out-of-pocket expenses while simultaneously fulfilling the labor requirements of the employment guarantee act, creating a synergy between housing and livelihood.

82. (A) P-II, Q-I, R-IV, S-III
Educational and entrepreneurship programs target specific demographic groups to maximize their impact. Eklavya Model Residential Schools focus on tribal children, while the Babu Jagjivan Ram Chhatrawas Yojana supports Scheduled Caste students through hostel construction. Pre-matric scholarships assist diverse marginalized students in foundational education. Meanwhile, Stand-Up India targets Scheduled Castes, Scheduled Tribes, and women entrepreneurs to foster economic self-reliance through credit access.

83. (A) SFURTI : Development of traditional industry clusters
Skill development and entrepreneurship schemes are tailored to different economic sectors. SFURTI focuses on the regeneration of traditional industries by developing organized clusters for artisans. PMKVY provides broad certification for various skills rather than being limited to the ultra-poor. Similarly, PMEGP generates urban and rural employment rather than insurance. These programs collectively aim to enhance employability and foster local economic development.

84. (D) Managed by the Ministry of Health
The Prime Minister's Employment Generation Programme is a vital structural livelihood program designed to create self-employment

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like the elderly and widows. These programs are designed for the impoverished rather than retired government officials.

68. (D) PMAY prohibits convergence with MGNREGA labour
PMAY initiatives track progress through the number of houses sanctioned, completed, and occupied, ensuring transparency in rural and urban development. PMAY Gramin specifically defines unit costs for construction and actively encourages convergence with MGNREGA for labor. Prohibiting such convergence would be counterproductive, as it allows beneficiaries to utilize employment days to build their own homes, effectively reducing their overall out-of-pocket expenses.

69. (B) SC, ST, and women entrepreneurs
Stand-Up India is specifically designed to promote entrepreneurship among historically marginalized and underrepresented groups. Its primary targets are Scheduled Castes, Scheduled Tribes, and women entrepreneurs. By providing substantial bank loans and supportive frameworks, the scheme aims to overcome traditional barriers to credit and business ownership, ensuring that these demographics can lead greenfield enterprises and contribute significantly to national economic growth.

70. (C) Trickle-down effects are often too slow
The primary justification for direct intervention policies, such as the Twenty Point Programme, is the observation that trickle-down effects are often too slow to address urgent poverty. While macro-level growth is important, it may not reach the most vulnerable populations in a timely manner. Direct programs ensure immediate support, providing assets and employment that bypass the delayed benefits of broader economic expansion.

71. (A) I, II, III and V
Assessments of poverty alleviation in India show significant progress in reducing absolute poverty, though governance challenges like leakages remain. Modern strategies emphasize Direct Benefit Transfer and rights-based entitlements to improve targeting. Furthermore, health and education security are now integral to the framework. However, poverty has not been completely eradicated in all areas, necessitating continued and refined intervention strategies for sustainable development.

72. (A) Both A and R are true and R is the correct explanation of A.
The One Nation One Ration Card scheme ensures that food security is maintained for migrant workers as they move across state borders. By allowing beneficiaries to claim their National Food Security Act entitlements from any fair price shop in the country, the system provides essential portability. This flexibility is vital for ensuring that geographic mobility does not impede access to subsidized food grains.

73. (A) P-IV, Q-III, R-I, S-II
Various poverty alleviation schemes are identified by their specific abbreviations. DAY-NRLM stands for the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission. PMEGP refers to the Prime Minister's Employment Generation Programme. SFURTI is the Scheme of Fund for Regeneration of Traditional Industries. Finally, PM-JAY is the Pradhan Mantri Jan Arogya Yojana. Each program targets a distinct aspect of rural or urban development.

74. (B) Universal coverage : Ensured every citizen received equal cash transfers regardless of income
The Socio-Economic and Caste Census 2011 was designed for precise targeting rather than universal coverage. While it utilized automatic exclusion and deprivation criteria to identify the needy and collected caste data to understand social status, it did not provide equal cash transfers to every citizen. Its primary goal was to resolve identification challenges and ensure that welfare benefits reached only the deserving.

75. (A) Direct funds transfer to Aadhaar-linked accounts
The Direct Benefit Transfer Mission operates as a nodal agency to streamline the delivery of government subsidies. Its core operational mechanism involves transferring funds directly into the Aadhaar-linked bank accounts of beneficiaries. This approach eliminates middlemen, reduces systemic leakages, and ensures that financial assistance reaches the intended recipients efficiently. It represents a significant technological advancement in the administration of various welfare programs.

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limited health coverage and was eventually replaced by the more comprehensive PM-JAY.

93. (D) RSBY : Replaced by PM-JAY
The evolution of social welfare in India often involves replacing older schemes with more robust and comprehensive frameworks. A notable example is the replacement of the Rashtriya Swasthya Bima Yojana by the Pradhan Mantri Jan Arogya Yojana. While RSBY provided basic health insurance, PM-JAY offers significantly higher financial risk protection and broader coverage, representing a major advancement in national healthcare security.

94. (C) At least one SC/ST borrower and at least one woman borrower per bank branch
Stand-Up India mandates a specific target for bank branches to ensure that credit reaches marginalized entrepreneurs. Each bank branch is required to facilitate at least one loan for a Scheduled Caste or Scheduled Tribe borrower and at least one loan for a woman entrepreneur. This policy ensures a widespread and decentralized distribution of credit, fostering inclusive entrepreneurship across the entire country.

95. (B) Cluster development for traditional industries
The Scheme of Fund for Regeneration of Traditional Industries is designed to bolster the traditional sector through organized cluster development. It provides artisans and traditional workers with the necessary tools, common facility centers, and market linkages to enhance their productivity. By focusing on collective growth within specific geographic areas, SFURTI helps traditional industries become more sustainable and competitive in the modern market.

96. (D) It relies exclusively on the trickle-down economic theory for poverty alleviation.
The Mahatma Gandhi National Rural Employment Guarantee Act is a cornerstone of India's rights-based approach to poverty. It provides a legal entitlement to one hundred days of wage employment for rural households. Unlike the trickle-down theory, which assumes growth will naturally benefit the poor, MGNREGA is a direct intervention that ensures immediate economic support while creating valuable community assets in rural areas.

97. (A) Verifying identity at Fair Price Shops
In the context of modern PDS reforms, biometric authentication refers to the process of verifying a beneficiary's identity at Fair Price Shops using unique physical characteristics like fingerprints. This system is linked to the Aadhaar database to ensure that the individual receiving the subsidized food grains is the legitimate entitled person. This technology is crucial for preventing identity fraud and systemic leakage.

98. (B) 5 kg
Under the National Food Security Act 2013, the designated food grain quota for individuals in priority households is five kilograms per month. This per-person allocation ensures that nutritional support is distributed according to family size. This systematic approach helps provide a basic dietary safety net for millions of eligible citizens, addressing the essential food security needs of the vulnerable population.

99. (A) Non-viable assets without market linkage
The "debt trap" identified in assessments of the Integrated Rural Development Programme was primarily caused by providing beneficiaries with non-viable assets. These assets often lacked proper market linkages or support services, making it difficult for the poor to generate sufficient income. As a result, beneficiaries struggled to repay the subsidy credit, leading to a cycle of debt rather than economic empowerment.

100. (D) Use of data, technology, and rights
The modern approach to poverty alleviation in India is characterized by the integration of data, technology, and legal rights. This framework utilizes precise identification methods like the SECC and JAM Trinity for efficient Direct Benefit Transfer. By combining technological transparency with legislative entitlements like MGNREGA and NFSA, the current strategy aims to provide a reliable, accountable, and effective social safety net.

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